NOTE

This Microfiche meets the quality requirements of the American National Standard for Microfiche of Documents (ANSI PH5.9-1975). However, because of imperfections in the document from which it was made, it contains images that are illegible or difficult to read. The source document for this microfiche is the best copy that could be obtained prior to filming.

CIS

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1990

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF DEFENSE

JOHN P. MURTHA, Pennsylvania, *Chairman*

NORMAN D. DICKS, Washington
CHARLES WILSON, Texas
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California

JOSEPH M. McDADE, Pennsylvania
C. W. BILL YOUNG, Florida
CLARENCE E. MILLER, Ohio
BOB LIVINGSTON, Louisiana

DONALD E. RICHBOURG, J. DAVID WILLSON, JOHN G. PLASHAL, ROBERT V. DAVIS, SANDRA A. GILBERT, DAVID F. KILIAN, ELIZABETH A. PHILLIPS, RICHARD E. EFFORD, DELACROIX DAVIS III, ALICIA JONES, and JULIE PACQUING, *Staff Assistants;* MARCIA L. MATTS, MARY E. GAROFALO, and CYNTHIA A. WRIGHT, *Administrative Aides*

PART 3

Military Manpower: Page

Army 1
Air Force 35
Marine Corps 69
Navy 95

National Guard and Reserves:

Overview 187
Army National Guard and Army Reserve 273
Air National Guard and Air Force Reserve 381
Naval Reserve and Marine Corps Reserve 457
Testimony of Members of Congress and Other Interested Individuals and Organizations 535

Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
98-372 O WASHINGTON : 1989

H181-3

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

COMMITTEE ON APPROPRIATIONS

JAMIE L. WHITTEN, Mississippi, *Chairman*

WILLIAM H. NATCHER, Kentucky
NEAL SMITH, Iowa
SIDNEY R. YATES, Illinois
DAVID R. OBEY, Wisconsin
EDWARD R. ROYBAL, California
LOUIS STOKES, Ohio
TOM BEVILL, Alabama
BILL ALEXANDER, Arkansas
JOHN P. MURTHA, Pennsylvania
BOB TRAXLER, Michigan
JOSEPH D. EARLY, Massachusetts
CHARLES WILSON, Texas
LINDY (MRS. HALE) BOGGS, Louisiana
NORMAN D. DICKS, Washington
MATTHEW F. McHUGH, New York
WILLIAM LEHMAN, Florida
MARTIN OLAV SABO, Minnesota
JULIAN C. DIXON, California
VIC FAZIO, California
W. G. (BILL) HEFNER, North Carolina
LES AuCOIN, Oregon
DANIEL K. AKAKA, Hawaii
WES WATKINS, Oklahoma
WILLIAM H. GRAY III, Pennsylvania
BERNARD J. DWYER, New Jersey
STENY H. HOYER, Maryland
BOB CARR, Michigan
ROBERT J. MRAZEK, New York
RICHARD J. DURBIN, Illinois
RONALD D. COLEMAN, Texas
ALAN B. MOLLOHAN, West Virginia
LINDSAY THOMAS, Georgia
CHESTER G. ATKINS, Massachusetts
JIM CHAPMAN, Texas

SILVIO O. CONTE, Massachusetts
JOSEPH M. McDADE, Pennsylvania
JOHN T. MYERS, Indiana
CLARENCE E. MILLER, Ohio
LAWRENCE COUGHLIN, Pennsylvania
C. W. BILL YOUNG, Florida
RALPH REGULA, Ohio
VIRGINIA SMITH, Nebraska
CARL D. PURSELL, Michigan
MICKEY EDWARDS, Oklahoma
BOB LIVINGSTON, Louisiana
BILL GREEN, New York
JERRY LEWIS, California
JOHN EDWARD PORTER, Illinois
HAROLD ROGERS, Kentucky
JOE SKEEN, New Mexico
FRANK R. WOLF, Virginia
BILL LOWERY, California
VIN WEBER, Minnesota
TOM DeLAY, Texas
JIM KOLBE, Arizona
DEAN A. GALLO, New Jersey

FREDERICK G. MOHRMAN, *Clerk and Staff Director*

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR 1990

TUESDAY, MARCH 7, 1989.

MILITARY MANPOWER—DEPARTMENT OF THE ARMY

WITNESSES

LIEUTENANT GENERAL ALLEN K. ONO, DEPUTY CHIEF OF STAFF FOR PERSONNEL, UNITED STATES ARMY

SERGEANT FIRST CLASS LAMAR NEIDIG, STATION COMMANDER, U.S. ARMY RECRUITING STATION, WILKES-BARRE, PENNSYLVANIA

INTRODUCTION

Mr. MURTHA. The Committee will please come to order. This morning we welcome Lieutenant General Allen K. Ono, Deputy Chief of Staff for Personnel, to discuss Army military personnel. General Ono, welcome to the committee. You have been here before and you have always been frank and straightforward with us. We appreciate that. As you know, we have a number of problems which we face this year that are driven by the amount of money we have available.

We appreciate your appearing before the committee. Your entire statement will appear in the record. If you will summarize it, we will go right to the questions.

SUMMARY STATEMENT OF GENERAL ONO

General ONO. Thank you very much, Mr. Chairman, and good morning. I appreciate the opportunity to discuss the state of personnel in your Army. I think you know that my statement contains no details beyond the budget submitted by President Reagan because the deliberations of the Bush Administration's defense budget have yet to be completed.

I have provided a copy of my written statement for the record, as you noted, and I would just like to cover and emphasize three points, if I may.

QUALITY FORCE

The first point is to proudly point out to you that the Army is a quality force. Its soldiers are better educated, better equipped, and better trained. These men and women in Army green stay longer and they learn faster. They are easier to lead. They are more creative, more efficient, and more productive.

The Army indiscipline rates are down significantly. You should be justifiably proud, Mr. Chairman, of the low rates in drug abuse, crime, and AWOL within the Army. This did not happen by accident. It happened because of some hard, tough work and a tremendous investment by the United States Army, as well as the Congress, and especially this committee. It was your understanding and your magnificent support that made the quality force in the Army happen. We thank you.

RECRUITING AND ADVERTISING

The second point I would like to make, Mr. Chairman, is that recruiting to maintain this quality force is in difficulty. We missed our accession goals in the first quarter of fiscal year 1989, and our Category IV content of new recruits for that quarter soared to 11 percent. This is Category IV, the lowest mental category that we allow in the United States Army.

In addition, our delayed entry program pool has shrunk to a point where recruiters must seek applicants who are willing to go to training immediately.

I know that you want a strong Army, a capable one, and a ready one. At the same time I know that you want recruiting resources spent frugally and wisely. My report to you is that resources, in my estimation, have been reduced too deeply. I especially urge that you allow the Army to offer again the Army College Fund for two-year enlistees in non-combat fields. This incentive was removed two years ago and coincides with the downturn of quality enlistments.

In my mind this offer must be restored immediately, Mr. Chairman, to meet our mutual goal of a quality force. Additionally, advertising has a direct and immediate impact on your quality recruitment and must be adequately resourced. The Army must be able to place a wedge in its recruiting accounts in order to stem the recent downturn in recruiting. The size of the Army College Fund kicker must be reexamined. The level of advertising dollars provided need to be reexamined, and the enlistment bonus cap needs to be looked at, also.

The bottom line here is that we need the resources and incentives to help us continue to recruit quality soldiers.

QUALITY OF LIFE PROGRAMS

The third point I would like to make concerns the Quality of Life Programs of our Army which are vital to the retention of quality soldiers. Congress directed that our Morale, Welfare, and Recreation Program be controlled by placing each activity in one of three categories. This caused a major restructuring in the Army. We have complied with the directives, but in a separate measure Congress also capped our MWR appropriated fund support. This cap has caused unintentional but major problems that hurt the quality of life of your soldiers and their families serving throughout the world. In my estimation, the cap is unnecessary. The controls provided by the categorization of these activities are sufficient.

This has become a significant problem, today, in fiscal year 1989. The shortfall in appropriated funds has required us to reduce our MWR, family, and child care programs. I urge that this spending cap be removed for this year, fiscal year 1989, and that it be kept off for future years.

Mr. Chairman, as you heard, recruiting is in trouble and we need your help. I ask that you hear from a recruiting sergeant from the field, so may I introduce to you Sergeant First Class Lamar Neidig. He is a five-year veteran in recruiting. He is a professional soldier who has earned the gold recruiting badge and the gold recruiting ring, both symbols of excellence and integrity in Army recruiting.

Sergeant First Class Neidig is a station commander, and he recruits out of the Wilkes-Barre, Pennsylvania recruiting station. I have asked that he give you his personal assessment for a few minutes, Mr. Chairman, of recruiting conditions from his perspective. So with your permission, sir, Sergeant First Class Neidig.

[The statement of General Ono follows:]

STATEMENT OF General Allen K. Ono

Mister Chairman, members of the subcommittee:

I appreciate this opportunity to talk about those programs that are critical to a quality Army today and in the future. I represent that Total Army--The Active Force, the Army National Guard, the Army Reserve and the Army's Civilian Work Force. It is this partnership which ensures that the Army of today is capable of meeting its role as a strategic deterrent force. We are a national asset and look to you for understanding of the unique life style and hardships associated with this profession. Congressional support of Army programs will ensure continuation of the quality force so diligently built with your help during the last eight years.

I am here to testify in support of our Army programs. My testimony contains no budget detail because the department of defense has not yet completed deliberations on adjustments to the Army budget. I am confident that I will be able to articulate to you the needs and importance of our programs in assuring that the Army is capable of meeting its role in the defense of our country.

QUALITY ARMY

Today's Army is great, strong and capable. Our soldiers are better educated, better equipped and better trained. They stay longer, learn faster, are more responsive to leadership, more creative, efficient and productive. Indicipline rates are down significantly from the 1970's early 1980's.

Quality soldiers are a wise investment they are cost effective. They display a higher potential for better battlefield performance. Studies of National Training Center activities show that they require substantially less training to master the same tasks, are five times as effective in executing combat skills and become promotion eligible quicker. While it cost slightly more to recruit this quality force, we save dollars through increased retention. This annual savings of over 250 million dollars [would become] available for other critical requirements. Quality is a readiness issue and a major element in our competitive strategy.

To maintain this quality requires a national investment. We do not want a recurrence of the problems experienced during the last decade where commanders devoted more time to discipline problems than to maintaining readiness. disturbing trends are emerging. We are currently facing the most difficult recruiting environment since 1978-1979. Our ability to recruit quality soldiers is becoming more difficult each year. The population of 17-21 year olds is significantly down, a trend that will continue until the late 1990's. Concurrently youth unemployment is at is lowest level in ten years; the youth wage index has risen for the first time in years; and military pay raises since 1982 have continued to lag pay raises in the civilian sector. Declining appropriations and program cuts are further hampering our ability to recruit. Traditional indirect compensation incentives such as medical care, the availability of quality of life programs, MWR, family and youth programs, are examples.

Fiscal year 1988 was not a good year for recruiting. The FY88 accession quality was good. However, the correct measurement of the recruiting situation should be by new enlistment contracts written and the size of the delayed entry program pool. Contracts written in 1988 were 10 percent below force requirements. Our ability to recruit quality high school graduates and seniors has declined for 23 straight months. Fiscal year 89 requirements are 11 percent higher than fiscal year 88. We entered fiscal year 89 in the worst delayed entry program posture in the last six years. For the first time since 1980, we have missed our accession goal in the first quarter of FY 89. The Army can not continue to recruit the same level of quality soldiers achieved in the late 1980's if resources continue to decline. Since fiscal 86 active component advertising dollars have gone down 28 percent, enlistment bonus' by 49 percent, and Army College Fund dollars by 56 percent. This is based on a four percent inflation rate. Two-year Army College Fund accessions have declined 65 percent. Recruiting incentives and resources are critical to maintaining a quality force. Resources are our only variable.

During the first quarter of this fiscal year the number of mental category IV accessions has risen dramatically. Without additional incentives to attract the college bound recruit, we expect to end the year at about 10 percent Category IV enlistees. We need your help to reverse these trends. Elimination of the Congressional restriction on the use of the two-year Army College Fund incentive for non-combat arms specialties is essential. Additionally, advertising has a direct and immediate impact on quality recruitment and must be adequately resouced. Therefore, the Army must be able to place a wedge in its recruiting accounts in order to stem this recent downturn. The size of the Army College Fund kicker must be reexamined, additional advertising dollars are needed, the enlisted bonus cap must be reviewed and we must be able to transfer recruiters to respond to market changes. The bottom line is that we need the resources and incentives to help us continue to recruit quality soldiers.

Army National Guard and Reserve Recruiting missions are also at risk. They too need continued funding of incentive programs and AGR recruiters. Because of the increased competition from the civilian sector, sustaining incentives are critical. With a larger portion of the Army's combat service and combat service support mission being absorbed by the Reserves it becomes critical that we ensure that they too access and retain quality soldiers.

We also need your help to retain quality soldiers. Historically 32 to 34 percent of the first term soldiers have shown a propensity to reenlist. However, we need to retain about 40 percent in order to maintain the level of quality needed in our mid-term and career force. It is important to be able to provide both monetary and non-monetary incentives so that we can meet these retention goals. For each quality soldier retained, one less quality recruit must be accessed. The shrinking pool of young males and females makes retention critical. We must be able to target selective reenlistment bonuses against critical military occupational specialties. Soldiers deserve decent living wages, one competitive with the civilian sector. Those who demonstrate potential to serve at higher levels must be promoted. Families make retention decisions. Programs which support our families are key to retention of the quality force and readiness.

MILITARY PERSONNEL MANAGEMENT PROGRAMS

Tools to properly manage our Army are essential. In the last few years Congress has directed the Army to implement major officer corps management changes. Also in the past recent years, the Army was directed to make major reductions in its officer corps. These directed officer reductions have required field grade selective early retirements and office accessions below that needed to sustain the force. DOPMA has set officer promotion and retention guidelines. These initiatives and others have caused the Army to change the way it manages its officer corps.

These officer management changes have increased promotion pin on points and lower selection rates for lieutenant colonel and colonel. Officers who traditionally departed at the twenty year mark are staying longer. This higher retention rate has increased junior officers time in grade. We need help to ensure continued retention of quality officers as future leaders. OSD is working with the services to identify required DOPMA legislative changes to help address some of these problems. The Army supports these changes.

Similarly, there is a real need within the Reserve components for legislation that would provide authority similar to that provided by DOPMA to the active force by which to manage the Reserve officer force. The Reserve Officer Personnel Management Act would provide those management tools. It more closely aligns Reserve and Active officer personnel management creating a "Total Army" officer management process. It contributes to readiness for mobilization, and unifies personnel management for Reserve Officers of all services. It provides for selective continuation and selective early retirement, flexible zones for promotion consideration, and provides flexibility for changing officer requirements. It provides a balance between management objectives and equitable treatment of individual career expectations.

Another area that requires study is Warrant Officer management. Warrant Officers are leaving the service too early, causing us to fall short of requirements for senior technical expertise. We must ensure that we are properly accessing, training and promoting our Warrants against future needs. We have found that after 20 years of service over half of our Warrants move on to the private sector most being drawn by lucrative jobs. We must stem this exodus. We are considering legislation to align the Warrant Officer and Officer Management Systems. This legislation would include incentives which we feel will encourage more warrant officers to stay beyond 20 years of service.

Our goal is to have an Army manned with quality soldiers, equipped with quality equipment and fully trained for its primary mission. The programs I have just mentioned are essential for the Army to accomplish this goal.

QUALITY OF LIFE

The Army's Quality of Life program is another essential element that has a direct impact on the quality of the Army and its ability to accomplish the mission. Today's Army is a married Army. Over 74 percent of the officers and 53 percent of the enlisted force is married. We have over 43 thousand single parents and 37 thousand dual military families. There are over 397 thousand spouses and about 600 thousand children. This is a major change from the Army of the 50's which was only 29 percent married. With this change comes significant challenges for the Army and the commanders in the field. I am often asked why does the Army care? The answer is that in today's Army the decision to remain is a family decision, made on the basis of the level of satisfaction with the military felt by the family members. Our surveys have shown the impact of the family and its perceived well being on the ability of the soldier to perform and their decision to make the Army a career. Therefore, it is important that we provide soldiers and their family members those services which they would otherwise expect to receive if they were members of the civilian community. Army families are not asking for charity--just the opportunity to have support services similar to those being afforded to our civilian counterparts.

If we are to retain those quality soldiers, it is important that we allow them to care for their families regardless of where they are stationed in the world. Family separations in the Army are extensive. As an example, 80 percent of our enlisted force experience some type of family separation each year. Army members spend twice as much time overseas as the other services. Studies have shown that family separations impact on retention and, therefore, on readiness. It is vitally important that we help ease the difficulties of Army life by providing adequate quality of life, family, and morale, welfare and recreation programs.

The Congress has been very supportive of these programs in the past and we seek your continued support in the future. Since 1980 we have, with your support, been able to greatly improve the quality of our child care facilities and programs. We have increased capacity as well; however, we are still not able to meet the demand. We have 93 facilities programmed for construction between fiscal year 90 to 95. Most of these projects are designed to bring up to standard our remaining deficient facilities; some are new constructions. We hope to increase our capacity by 25 percent through these projects.

Construction for Department of Defense Dependents Education (DODDE) continues to be cause for increasing concern. There is backlog in construction, repair and expansion. DoDDS (OCONUS) is in a facilities catch-up mode caused by reduced funding, increased enrollments at some schools due to base mission changes and the age and condition of some schools. The budget proposes 10 projects for FY 90. We need to address this area before it becomes unmanageable.

In the last few years as a result of a moratorium on construction for Section 6 Schools the quality of our education facilities have deteriorated. We need your assistance in resolving the backlog in construction of Section Six Schools facilities.

Our Family Advocacy Program has been very successful. It has helped us to identify and stem problems through prevention and treatment services. Your continued support is critical. Our youth development programs are essential if we are to respond to the unique needs of military youth who are disfranchised from their surroundings and friends and expected to restart their lives with each move.

The Exceptional Family Member Program while difficult to manage, allows us to help those family members less fortunate, thus minimizing the impact on the sponsor's ability to perform and allowing them to continue a successful military career. This program has been of considerable concern to you in the last few months. Hopefully, we have been able to allay those concerns and illustrate that the program works and supports these families. We recognize that it needs refinement. We need to do a better job of tracking these families, of eliminating the perception that enrollment is not career enhancing, and ensuring that medical treatment is in fact available. We are diligently working these issues and you have my assurances that we will do all we can to improve these family services.

We are experiencing a major problem with our ability to properly support our morale, welfare and recreation activities with adequate appropriated funds (APF). The cap on the use of these funds imposed by the appropriations language of two years ago has created severe inequities in our programs. Congress has consistently directed us to use APF in support of mission sustaining category activities, while restricting its use for business activities. However, even with this realignment we are short of APF ceiling for our mission essential activities. The CAP ties our hands. It precludes us from managing these programs well. This problem has been further exacerbated by the 40 percent increase in shipping costs for resale goods. Since this is within the CAP, it is causing us to take funds from family and

MWR programs to cover these unprogrammed expenditures. We seek your support to permanently remove the CAP.

Also related to the implementation of Congressional and departmental guidance is the need to treat equitably those civilian employees who because of the change in the categorization of their activity must now change from non-appropriated fund employment to appropriated fund employment. Under current laws these individuals would lose their retirement rights, sick and annual leave, and seniority in the work force. The Office of the Secretary of Defense is in the final stages of preparing a report to the Congress concerning this subject.

While I am sure that the Surgeon General will properly talk to the impact of medical care, and its availability on the soldiers and their family, may I reinforce a few points. Today's medical programs are essential to the overall quality of life of our people. The PRIMUS program has done wonders in providing quality services closer to where our families reside and reducing the long lines in military hospitals. The Dental program has been a real blessing. It is the right program at the right time. CHAMPUS serves a unique clientele and must be supported. Our concern is for the ability of the Army to recruit and retain medical personnel. It is important that we provide the proper incentives to ensure that doctors, nurses, and support personnel are available to meet our readiness requirements, as well as to support military families.

Providing for the quality of life of our soldiers and their families is critical if we are to maintain readiness and meet our primary mission as a strategic deterrent force.

CIVILIAN PERSONNEL MODERNIZATION PROGRAMS

I have taken considerable time talking of our military force and their families. There is another critical part of the Army team that is essential to the ability of the Army to accomplish its mission. Without our dedicated and professional civilian work force, the military could not devote its time to preparing its forces to meet its role as a strategic deterrent. The civilian work force is an equal partner in this effort and as such their need must also be addressed. Today's Civilian Personnel Management System is cumbersome and non-supportive of the needs of a quality work force.

In studying the work force from now to the year 2000, we have found that as job skill levels increase, more jobs become service-oriented, and competition to hire increases, the available employee market will decline. This will make it even more difficult for us to compete in the market place. What is needed is a modernization of the Civilian Personnel Management System. We must strengthen the leadership, deregulate and "power down" authority, and modernize supporting systems. We must provide increased and productive civilian leadership training, simplification of our non-appropriated fund management system to accommodate a more business oriented approach, and the ability to manage to budget. Last year OPM initiated legislation to help resolve some of these difficulties. Unfortunately it did not pass both Houses of Congress.

We will also be seeking your support for the Army Civilian Training, Education, and Development System (ACTEDS) which is designed to help us better educate and develop our work force. We are considering legislative authority to fund training for civilians that will help them achieve a degree. Currently, we may train them but the degree must be incidental to that training.

It is also important that we recognize the families of our civilian employees. This is especially true for those civilian families who move overseas, are required to have Army-wide mobility, or must move to satisfy statutory rights. They are subjected to the same hardships as our military families in obtaining employment. Many civilian spouses forfeit career employment opportunities to be supportive of his or her sponsor who is required to move. We are considering legislation to provide them hiring preference now given to military spouses when they relocate.

Let me again seek your support to permanently eliminate statutory civilian end strength ceilings.

RESOURCING

I began by talking about the quality of our Army and how important that is to us today. I have talked about our need to retain this quality force and how family programs play a key role in that retention equation. It is also important that our soldiers must have adequate compensation. Increases in military pay since 1982 have legged behind pay raises in the private sector. Currently that lag is about 10.1 percent. It is important to not allow that gap to increase to the point that it causes a decline in the quality of our force. I urge your support for a pay raise that keeps military pay competitive with the private sector.

Another compensation issue is the CAP on the Variable Housing Allowance (VHA). The VHA CAP precludes the program from performing in the manner Congress designed. The VHA goal is for the service member to absorb 15 percent of his total housing costs in actuality they are now absorbing 21.5 percent of those costs. The CAP restricts management alternatives since this is an entitlement and must be paid. I urge you to restore this program to its congressionally intended purpose.

Over the past few years the Army has experienced substantial unprogrammed expenditures in the MPA account because of foreign currency fluctuations. This caused us to redirect dollars from critical programs. We need to incorporate MPA into the foreign currency fluctuation account to preclude this from occurring each hear. It makes management of our programs very difficult. This would eliminate the need to annually reprogram to adjust for these fluctuations.

Also last year the Congress withdrew dollars in support of automation programs from each of the services. This caused us considerable problems. In the past few years, we withdrew about 3 thousand spaces from our Military Personnel Management programs agreeing to substitute for this manpower with improved automation. Your reduction in automation funding has resulted in further delay in fielding critical systems such as SIDPERS 3 and TACCS which directly support our mobilization and warfighting capability.

After years of turbulence and operating shortages in manpower, the force is programmed to be fully manned at 772,300 man years for FY 90 and 91. We ask that you ensure that adequate funds are provided to provide stability for the force in the out years. Last year I talked to you in detail about our need for adequate PCS dollars. However, the increase in industry shipping rates and benefits to soldiers and their families has resulted in increased funding requirements for PCS.

Let me mention two programs which we feel are providing excellent support for our soldiers overseas and solving problems that Congress has asked us to resolve. First, Europe is testing a Government Rental Housing Program. Under this program the Federal Government enters into a lease for suitable off-post housing at the point where a service member has seen the housing and is interested in its lease. This program is expected to increase our stock of off-post housing, save MPA (BAQ & OHA) and family housing dollars. It is well liked by commanders and soldiers as well as German landlords. We expect to experience a net savings through this venture. We propose to fund this in FY 90 and 91 by transferring MPA dollars to our family housing account. We hope you will support this initiative.

The other is elective household goods shipments to Europe, currently, the Army limits household goods shipment to 20000 pounds or 25 percent of the prescribed weight allowance. Under this program soldiers will determine how much they will ship and the local military community will provide them furniture to fill out what is authorized under a common table of allowances for their grade. We expect this program to be a no-cost change for the Army and one that will greatly satisfy our families and reduce current complaints on the availability of furniture for the junior soldiers.

CONCLUSION

Let me conclude by reinforcing some critical points. First the Army's primary focus is on recruiting and retaining a quality force both military and civilian. We need this quality in order to support readiness and the warfighting capability of the Army strategic deterrent force. What we are seeking from you the Congress is resources that support these initiatives. We must have the resources and incentives to continue quality recruiting, to keep soldiers and families together overseas, to provide quality soldier and family programs.

Our goal is a quality Army, with quality equipment supported by strong families. The Army, its soldiers and families, are your national asset. You must support it and invest in its future. It provides a societal benefit not only in defense of our country but also as a source for improving the lives of those who join it, serve it and then return to share that experience with the rest of society. Help us to continue to meet that challenge.

I appreciate this opportunity to appear before the committee and shall be happy to answer any questions you may have on Army personnel programs.

Mr. MURTHA. Sergeant Neidig.

SUMMARY STATEMENT OF SERGEANT NEIDIG

Sergeant NEIDIG. Thank you, sir.

Mr. Chairman, I represent over 7,500 proud professional recruiters, the people we have out in the field today, the ones who are going out there day in and day out, trying to find people to support the quality all-volunteer forces that will allow us to mobilize and be able to defend this great country of ours.

We need things from you to help us in that mission. Recruiting is tough. We are very competitive. There are a lot of things out there that young people can do today that would preclude military service.

We have a large number of colleges in my area, four-year colleges, two-year colleges, technical schools. The funding is there through student loans, Pell grants, Federal aid in order to make their dreams a reality. In order for us to use military service to help assist them in reaching their goals we need to be competitive in that respect.

TWO-YEAR ARMY COLLEGE FUND

When the two-year program was first available in 1984, when I first started, I had a great number of people who took advantage of that. Those people are now out of the Army. They are in colleges, majoring in engineering, computer sciences, agriculture. They are reaching those goals.

We also need to offer the two-year program to the women as well. The women that I work with today can fully fill the military requirements and are able to do a good job for us. They also want to go on to school. Women in today's society have made major strides and they deserve to have that two year option as well.

The educational system that we have right now costs about $6,000 per year. With the GI Bill and the Army College Fund we are paying off about $4,500 of that per year for them, but it's not keeping up with inflation. Each year I am watching those figures going up eight to ten percent. I need more money to increase the value of these incentives to be competitive with that.

It has been very rewarding for me, in my five years, to be able to see those people who have spent two or three or four years in the Army getting out and reaching their goals and being successful. I am a dream maker. I take those young people; I talk to them with their parents. I have to change the course of what they were raised to do or what they wanted to do. I must change that in such a way that it makes a reality for them. I listen to them, find out what they want out of life. I have to be able to give them those things they want, whether it be the cash bonuses to start a family with, or whether it's the college fund so that they can just do a two-year tour and then get back into studies and still be competitive with their class peers.

I need your help in order to do that. I just have to be competitive.

RECRUITING

Mr. **Murtha**. I'm ready to sign up.

General **Ono**. Raise your right hand, sir. Sergeant Neidig recruits in a very important and patriotic area, Wilkes-Barre, Pennsylvania. He told me before coming here that he feels that if he were allowed to offer the two-year enlistment to all fields, that he would make a tremendous dent in bringing some high-quality people into our Army.

Is that correct?

Sergeant **Neidig**. Yes, sir. The marketability is in labor, in the work force. They need a two-year program to get into the technical fields to get into the job market.

Last night we were talking about marketability when they come out of college. A lot of people are going to school; what makes them any different? The military background they would put on a resume is quite impressive. The unemployment office will contact me and say, "Do you have anyone coming out of the Army now that we can give a job to?" They want the professionalism, the maturity, the pride.

I went to a construction company a while ago and I asked the guy, "Why do you want military people over non-military people?" He said because they handle millions of dollars' worth of equipment each year. Let's say, for example, that I am in construction and I have a grader; that grader costs me $100,000. This man says, "I want to be able to use a military person to be able to watch that oil gauge, because if that oil gauge goes out and that engine blows up, I lose a lot of money. I want the military people. I also want somebody who can be a leader, a guy with management time, a guy with the education who can do more for me with less outlay on my part."

Mr. **Murtha**. What is the obligation of a two-year enlistee?

Sergeant **Neidig**. A two-year enlistee would come into the program, go to basic training and advanced individual training, and remain in the service for two years total time. He would then be transferred to the inactive ready reserve, or he may opt to go into the selective reserve.

Mr. **Murtha**. So he doesn't go into the selective reserve after two years?

Sergeant **Neidig**. He's not required to.

TWO-YEAR ENLISTMENTS

Mr. **Murtha**. So two years is his only obligation.

What we worry about, as General Ono knows, is the amount of money that we have available to us. It just seems like two years, after you train somebody is too short. It's fine to go into civilian life and it may take care of your quotas, but our problem is the amount of money we have available overall. It just seems two years is not enough time to get our money's worth, unless they go into the reserves.

General **Ono**. Yes, sir. And for that reason it was suggested that we go into a new program which calls for two years of active duty not counting the training time, plus two years of duty in the selective reserve in a troop program unit, and the remaining four years in the reserve, hoping that they will stay with the selective reserve, having enjoyed that experience.

So what we are talking about is to come up with this program for the non-combat arms soldier who goes in for two years plus training, then goes into the selective reserve where they must serve two years in order to collect his or her Army College Fund.

Mr. MURTHA. Well, that makes sense. I'm convinced that we're going to have to rely more on the Reserve and National Guard down the road just because of force structure problems. This committee has probably voted unanimously against any cuts in Europe or Korea in the past, but I can see the time coming when we are going to have cuts. We're just not going to be able to do anything about it because the money is just not there.

So we would be interested in seeing that program because it looks like that would fit into a policy that is evolving.

General ONO. Mr. Chairman, we don't know whether this would be an attractive offer to young Americans. We would like to try it out. Maybe it won't sell.

Mr. MURTHA. Let's ask the recruiter.

Would that work, Sergeant?

Sergeant NEIDIG. In a lot of ways, yes. The people want to go on to school. They want to use the two-year college fund to go on to college, and then with the selective reserve they would receive an additional $140, since they are going to be at the E-4 or E-5 level by that time frame, at least until they finish the fourth year.

Mr. MURTHA. One thing that worries me is that it takes care of your quota, but it is expensive to train these people. And as you see, these civilians like that. It's like training a pilot. A pilot goes out and he is grabbed immediately by industry, when we have spent a lot of money to train him. In many cases pilots go into the Reserve or National Guard and they are able to fly and continue to be of great benefit to the United States.

I can see that two years would obviously make it easier, but I'm not sure that's the most cost-effective way to approach it.

General ONO. One of the interesting results that we found as we went into the two-year program is that, as we surveyed the soldiers who did sign up for this program, a large majority said that they would not have joined any military service—Army, Navy, Air Force, Marines, Coast Guard, none at all—had it not been for the two-year program. They considered this to be a brief hiatus in their life, a period between high school and college that they could use in order to earn some money for college. And it's a sizable amount.

Mr. MURTHA. And what percentage stay?

General ONO. About 12 percent reenlist.

Another interesting figure, Mr. Chairman, is that about 30 percent of these soldiers do in fact voluntarily join the Army Reserve troop program unit, 30 percent. What we are trying to do here in our offer or our proposal for a test is to make it 100 percent, or you just don't get the money.

So I think we have an interesting and cost-effective idea.

The skills that we would offer in a non-combat arms area would be skills that are critically short, both in the Army Reserve as well as the Active Army. The choices we would make would ensure that the training time is brief because you cannot have an extensive training period for just two years on active duty. We are insisting that the skill that they learned and employed in the active service also be the one that they use in the reserve component, so for that reason we chose skills that were not just critical but were also plentiful in the Army Reserve.

Mr. MURTHA. What percentage go into combat arms in the two-year enlistment?

General ONO. Let's see. We bring in approximately 5,000 into the combat arms per year for two years, out of a total requirement of 35,000.

Mr. MURTHA. Out of the 120,000 you enlist, how many are two-year enlistments?

General ONO. At the present time, 5,000. This is in the Army college fund program, we have more two year accession that are not getting the Army college fund.

Mr. MURTHA. You said 5,000?

General ONO. Yes, sir. And what we are asking is for you to allow us to do another 5,000 for the non-combat arms category.

Mr. MURTHA. Mr. McDade.

Mr. MCDADE. Thank you, Mr. Chairman.

General, it is nice to see you again.

Sergeant, welcome. We appreciate your testimony and also your good work.

I guess to sum up, your question about remaining competitive really hinges around that two-year enlistment term. Is that your judgment?

Sergeant NEIDIG. Yes, sir.

Mr. MCDADE. You talked about the availability of these various other things, Pell grants and college loan programs and all the rest of it.

Let's just take a day that you put in on your shift up at Wilkes-Barre, and you get X number of people coming in, potential recruits. Do you keep any statistics on how many of them talk to you about the college aspects of their enlistment period?

Sergeant NEIDIG. I have no documented statistics.

Mr. MCDADE. What's your feel for it?

Sergeant NEIDIG. About 80 to 85 percent of the people we initially talk to, over the phone or in my office, will initially come out and say, "I plan on going to college." We ask them how they plan to pay for it, and that's when they start hedging, "Mom and Dad are going to pay for it," or, "I'm going to get a grant." It's like easy access to them, "The Government is going to take care of me whether I go in the Army or whether I go to school."

Mr. MCDADE. And high school graduates?

Sergeant NEIDIG. High school graduates are the ones who are worried now about the loans they have to pay back.

Mr. MCDADE. And that's 85 percent? You said 85 percent of your youngsters want to go to college?

Sergeant NEIDIG. On the graduate side, the majority of them decide to take a year off from high school to go to work to try to save up enough money to go on to school. Those people have realized that their tuition is going up. Their peers are already in college and they are looking at their marketability compared to their peer group. They find they're not going to save enough money fast enough to go on to school, and they will get themselves into the rut of being billpayers, where their resources are being used for things other than saving that money for school.

So the grads, as well as the seniors, as well as the females—the females especially—are telling me that they want to go to school, they want to go to college, business schools, two-year schools, four-year schools. It is very difficult for us to talk to a young lady. We say, "We want you to join the Army." "Well, what are you going to do for me?" "We can make your college dreams a reality without taking you away from that for a long period of time."

Mr. McDade. I take it you have no problem meeting your quota up there? You've gotten all of the awards you can get for it.

Sergeant Neidig. Sir, it's a difficult situation. Most of my awards came from the 1984-1985-1986 timeframe when you did give me the two-year college fund, when you did give me the two-year college fund for women and the non-combat arms. It has become much, much more difficult. With the pool of people that we can choose from, high schools are going down every year in the male and female population, so in the near future—if I had to compete for my awards again I would probably not be at the level I have been able to achieve.

I am trying to train my recruiters to be able to listen to what people say and help fulfill their needs.

One of the benefits that I see of the two-year program is—yes, I do bring them back out of two years, and yes, it's costing us a great deal of money—that these individuals are not getting the guaranteed student loans. They don't need them. They are getting enough financial aid from us and they earn that. They are also feeling a sense of satisfaction of earning their own money to go to school. They are getting higher grade point averages. They are getting better paying jobs and they are paying more taxes.

They do have a military service obligation for eight years. They are still part of the Army for eight years, the entire time. We are asking these young men and women and their families to make an investment in the security of this country. I am asking that we be able to invest in their futures at the same time, give and take, to make them successful, the ones who will be our scientists and our Congressmen and our governors later on.

A lot of the CEO's would not have reached the point where they are right now without the benefit of the GI Bill during the Vietnam or the Korean conflict. We're getting the same benefit now. We're just investing it in a little different way, but we will reap the benefits later on.

TWO YEAR ARMY COLLEGE FUND FOR NON-COMBAT SKILLS

Mr. McDade. Well said, Sergeant.

General, the people that you want to make additionally eligible, the non-combat arms, what kind of skills are we talking about?

General Ono. Again, it is a balance between what is needed in the active as well as the reserve components. We have a list that ranges from signal people to medical folks to some maintenance personnel.

Mr. McDade. That would be a scan of the people. Any glimpse on where the majority of them would go, any kind of specialties?

General Ono. The big numbers are——

Mr. McDade. What would they end up doing, General, if we made it available? What do your statistics show about where they would go?

General Ono. We would not put them all in one unit.

Mr. McDade. I understand.

General Ono. We have to scatter them about or else the turbulence would be too severe. Of course, we want them to serve in Europe because we have huge European requirements.

Mr. McDade. What I'm trying to ask you is, what kind of skills would they go into?

General Ono. Combat maintenance, medical, and communications. Those would be the three primary fields.

Mr. McDade. That you try to get these people to go into?

General Ono. Yes, sir.

ENLISTMENT BONUS VS. ARMY COLLEGE FUND

Mr. McDade. Now, some people argue that an enlistment bonus rather than a college fund might help with this whole situation. What's your view on that?

General Ono. Sir, we recruit in two separate markets. One is the work force-oriented market. These are the people who are more interested in learning skills, and these are the ones who would be attracted by the bonus.

The second market that we need to recruit in is a college-bound market, and these are the ones who would be attracted by the Army College Fund and the GI Bill. Without both incentives, Mr. McDade, we have trouble recruiting.

Mr. McDade. If you have people who are college-motivated, like we talked about—we talked about a large number of youngsters coming in, for example, where Sergeant Neidig's experience is—do they want to go in and be a mechanic, repairing a tank? Is that what they're going to try to select? Isn't it more likely that they will want to do something much different if you go into a noncombat arms area and you are college-motivated?

General Ono. Yes, sir. What we're hoping for here is to meet the requirements of the Army and of the individual at the same time. The Army can get its clerks and its administrative people by other means. What we want is for these individuals to sign up for these critical skills because they are more interested in the college money, and the life experience that they will have with their short term in the U.S. Army.

Mr. McDade. Okay. Thank you, General.

Thank you, Sergeant. Nice to have you in front of the committee.

Thank you, Mr. Chairman.

RECRUITING INCENTIVES

Mr. Murtha. What Mr. McDade was just asking made me start thinking about the amount of money available this year. For instance, I see in some of the proposals that we believe you are going to make to the committee, you are talking about $36,000 for the enlistment. Well, that's an awful lot of money; and as important as recruiting is, I think we would have a hard time coming up with that kind of money.

But what Mr. McDade suggested was that if we had a bonus up front, that still wouldn't do as good as the college fund. Is that what you're saying?

General ONO. Yes, sir. In my estimation you need both of those programs running in synchronization in order to——

Mr. MURTHA. Well, what are the bonuses now? How much do you pay as a straight bonus? What is the most you can give an individual?

General ONO. It's $8,000.

Mr. MURTHA. If you increased that commitment to $12,000 or $15,000 or $16,000, that wouldn't do as well as your college fund? That wouldn't attract the people you're trying to get? That wouldn't do the job?

General ONO. You are correct. In our minds there are two separate markets that are motivated by different offers.

May I make a point, please? For an individual who is a high school graduate, who scores on the upper end of our tests, the individual is allowed to come in for four years in a critical skill and get the Army College Fund that today goes up to $25,200. From that, following the actuarial table, Mr. Chairman, the Army's investment or the Government's investment is $3,600. The actuarial tables account for certain numbers that will not complete basic training; others that will serve but not honorably, and therefore they make themselves ineligible to receive their payment; and thirdly, that a number will reenlist for a period, say, four years. Perhaps their plans will change and by the time their fourth year comes they will reenlist because they like the Army and their thoughts of college fade. And next——

Mr. MURTHA. Well, to go over the program, then, I thought we were talking about a two-year obligation. You're talking about a four-year obligation?

General ONO. Yes, sir. In the two-year obligation we pay $17,000. This includes the GI Bill portion as well as the Army College Fund. In that case again, the cost to the Army is $2,700 because, again, based on actuarial tables our actual costs are a much smaller amount.

MWR FISCAL YEAR 1989 SHORTFALL

Mr. MURTHA. Now, go over the morale, welfare, recreation, MWR, problem.

General ONO. Sir, the problem that we have is caused by foreign currency fluctuation plus some increase in shipping rates.

From the morale and welfare cap, Mr. Chairman, we have to——

Mr. MURTHA. What is the cap?

General ONO. The cap for the Army is $531 million.

Mr. MURTHA. Who put that on? Did this committee do that, or did the Armed Services Committee?

General ONO. It was done by the Senate Appropriations Committee.

Mr. MURTHA. Okay.

General ONO. From that amount, Mr. Chairman——

Mr. MURTHA. The staff tells me that DOD-wide it is $1.1 billion, and it is higher than Defense asked for. In other words, we appropriated more money than was asked for.

General ONO. That may be so. The Army's portion is $531 million.

Mr. MURTHA. What did you ask for?

General ONO. I do not know.

Mr. MURTHA. The staff tells me that the $531 million was $35 million less than you asked for. But the point is, we gave Defense more money than they requested.

This committee, as you know, General, is very careful with personnel. We try to make sure that we take care of the people. The system might suffer sometimes, but we try to take care of the personnel.

But you are saying that you are short in the Army, across the board, only $30 million?

General ONO. No, sir. We are short close to $100 million.

Mr. MURTHA. And what would that $100 million buy?

General ONO. First is the increased cost of overseas transportation for Army and Air Force Exchange Service goods, meaning our exchange goods going overseas. Our policy does subsidize, through appropriated funds, the transportation of U.S.-made goods to overseas exchanges because, Congress and, we believe that our soldiers and their families should be allowed to have these goods at the same cost at which they are available in the United States.

Mr. MURTHA. I agree with that.

General ONO. And we have had, in that account, four price increases within a year. So transportation costs alone——

Mr. MURTHA. Is that purely a monetary exchange problem?

General ONO. No, sir. I'm now talking about the shipment of just these goods overseas.

Mr. MURTHA. Just the shipment?

General ONO. Yes, sir.

Mr. MURTHA. So what is the increase?

General ONO. That increase is $67 million.

Mr. MURTHA. And that's been commercial shipping costs?

General ONO. Commercial shipping costs.

Mr. MURTHA. You ship that on U.S. carriers?

General ONO. Yes, sir.

Mr. MURTHA. All by air?

General ONO. No, sir. Primarily by sea.

Mr. MURTHA. So even the sea transportation has gone up that much?

General ONO. You are correct. Sir, that is the report that I got from the Army and Air Force Exchange Service. I will be more than glad to provide you with a fuller explanation for the record.

Mr. MCDADE. Mr. Chairman?

Mr. MURTHA. Mr. McDade.

Mr. MCDADE. Well, it's hard to imagine that if you're going to ship a crate of something from here to there, that it is up 40 percent over the same charge from last year. You're supposed to have stabilized rates and you shouldn't have increases like that in a year, I don't think.

General **Ono**. Sir, we did experience a number of increases. I would like to provide it for the record for you——

Mr. **McDade**. Okay, do that, General, but please be pretty specific about it because I don't understand how you could get a 40 percent increase in shipping costs in a year.

[The information follows:]

Increases in the MWR transportation costs paid by APF are attributable to increases in industrial fund billing rates—the rates which the Army pays to the Transportation Operating Agencies (TOAs). These are: Military Airlift Command (MAC) for air movement of cargo; and Military Traffic Management Command (MTMC) for port handling of surface cargo; and Military Sealift Command (MSC) for overocean movement of surface cargo, from the seaport in CONUS to the first inland destination overseas.

For FY89, composite rate increases approved by DOD were: MAC—16%; MTMC—8%; MSC—50%. A composite rate increase, however, does not tell the whole story. The composite rate is calculated using specific billing rates which are different for each commodity shipped (e.g., vehicles, containers, coal) and for each trade route to which shipped (e.g., East Coast to Europe).

For instance, 97.8% of the Army's transportation costs for AAFES cargo is with MSC. Of that, 100% is containerized. Although the composite increase for MSC was 50%, the increase for containers was 76.9%. To be even more specific, over half of all AAFES containerized shipments were sent from the East Coast to Europe. The MSC rate increase for containers shipped on that trade route was 105%.

The Army recently asked MSC to analyze its rates and the Army's historical commodity and trade route patterns to develop a composite rate which more closely reflects the impact of MSC rates on our budget. Lacking such an assessment, past Army budgets used only the composite rate increase to amend estimated requirements. Past adjustments have been relatively minor and were accommodated within the reprogramming authority of the Service. Accommodating the increases in costs this year has been complicated by the spending limitations imposed by the MWR cap.

Mr. **McDade**. Also, the way I understand that this program works, the DOD apportions this money back and forth, isn't that correct?

General **Ono**. Among the services, you are correct.

Mr. **McDade**. So if you are experiencing some kind of a problem there, there is flexibility within the system that we appropriate to. As has been pointed out, we appropriated in excess of the request. So if you're having some kind of a glitch in the Army that is unusual to the Army, the DOD has the flexibility to reapportion dollars to you from some other service that might not be experiencing the same problem, isn't that right?

General **Ono**. You are correct, but DOD, from my understanding, is also finding itself in a pinch with the other services.

Mr. **McDade**. Well, if there is a 40 percent increase in transportation costs in a year, I can understand how there would be a glitch. But I can't understand how there could be a 40 percent increase in shipping costs. That mystifies me.

General **Ono**. The other is foreign currency fluctuation. As you know, a number of the goods are purchased overseas and local nationals are hired to work in morale and welfare activities. These things are paid with local currency. That again has caused another $28 million problem for the Army because we did not anticipate these added costs.

Mr. **McDade**. Increased wage costs?

General **Ono**. Wage costs.

Mr. **McDade**. Because of the decline of the dollar?

General **Ono**. The decline of the dollar.

Mr. **McDade**. Well, how about supplying us with some information about how the change in the dollar has affected the hiring of foreign nationals?

General **Ono**. I would be glad to provide it for both the situation in regard to shipping costs, as well as the currency fluctuation.

Mr. **McDade**. Yes. We will need to get a look at that. Give us some detailed examples, will you?

General **Ono**. Will do.

[The information follows:]

The change we have requested in the MWR cap to accommodate foreign currency pegged rate fluctuation is an increase to the spending cap intended to bring the MWR cap in line with the current budget. The cap shortfall due to foreign currency pegged rate results from the use of outdated conversion rates in preparations of the OP34 Exhibit.

Mr. **McDade**. Thank you, General.

Thank you, Mr. Chairman.

Mr. **Murtha**. Is this also a problem because you miscalculated your base estimate on these areas? For instance, did the Army in fact miscalculate the transportation costs initially?

General **Ono**. We hope not. From my review of the situation it was more the price increases that came to us in an unexpected way.

CHILD CARE SERVICE

Mr. **Murtha**. Well, as Mr. McDade said, we would be very interested in seeing those figures.

You mentioned day care also. Is that under MWR?

General **Ono**. Yes, sir.

Mr. **Murtha**. Tell me about day care centers.

General **Ono**. The day care centers receive their income from two sources. One is the appropriated fund and the other is from fees that are charged users. So here again, commanders are pushed into a situation where they may be required to increase fees or to cut back their services. The total expenditures for our 300 Child Development Centers throughout the world total $67 million, of which 60 percent comes from nonappropriated funds, primarily from user fees. The balance, $26 million or 40 percent, comes from appropriated funds.

Mr. **Murtha**. So 40 percent of the day care centers comes from appropriated funds?

General **Ono**. Yes.

Mr. **Murtha**. Give me an example of your charges to the individual.

General **Ono**. We would charge approximately $200 a month for full care. Full care represents approximately eight to ten hours a day, five days a week.

Mr. **Murtha**. How many single parents do you have in this program, or do you have any idea?

General **Ono**. In the Child Care Centers? Sir, I do not have the number that use our Child Care Centers, but in the Army there are 34,000 single parents.

Mr. **Murtha**. Now, what happens to the children of those single parents when the person is either sent on an extended exercise or just has to stay later, like with shift work?

General **Ono**. Our commanders put a priority on allowing single parents—and dual military couples, which is a different category—to place their children in our Child Development Centers.

Mr. **Murtha**. But you are only open 12 hours a day. For instance, are you penalizing the rest of the services because of the single parents and because of these considerations? If they are called out on an exercise and you have a single parent, what happens to that child?

General **Ono**. They must make separate arrangements because our Child Care Centers are not open 24 hours a day. Usually they go to a family care provider, family care meaning there is someone on the base who takes care of children. We train them and allow them to provide service on the base.

Mr. **Murtha**. So the Army, in addition to day care is now assuming the responsibility for single parents, and there are 34,000 of them throughout the system. You take care of these children while the service person is on an exercise, extended TDY, or whatever it might be. Is that what you are telling me?

General **Ono**. No, sir. I need to correct that impression. We hold the parent primarily responsible for the care of the children.

Mr. **Murtha**. And they should be responsible.

General **Ono**. Yes, sir.

Mr. **Murtha**. I think that day care is a problem not only in the service, but a problem nation-wide because there are a lot of single parents. I understand that and I appreciate it, but when it starts interfering with their duties in the service of the country, or when it becomes a real burden and penalizes the rest of the people in the service——

General **Ono**. You are correct, and therefore our policy is that the primary responsibility for child care resides with the parent. We will assist, but not to the detriment——

Mr. **Murtha**. Well, is the assistance going to get into 24-hour day care? Our budget is getting smaller and smaller, yet we have more and more needs. We certainly want to take care of those needs, but it seems to me that at some point we have to make the judgment that we can only go so far for the national security of this country with the amount of money that we have available to us. So day care is a responsibility which we have now accepted, and we now pay almost half of that.

General **Ono**. Correct.

Mr. **Murtha**. And that's a burden. I mean, $200 a month is certainly an expensive proposition.

But we're not going beyond that? We're not going to take care of the children for 24 hours a day or when the parent is shipped overseas? That is the individual's responsibility?

General **Ono**. That is not part of our plan.

ENLISTMENT BONUS

Mr. **Murtha**. Would you talk about that bonus cap?

General **Ono**. The bonus cap allows us to offer up to $8,000, not beyond that amount. We do not have a firm proposal, but we are examining whether that cap needs to be increased for the very reason that you were describing, in order to attract people into these very difficult MOSs.

For anyone who selects a bonus, Mr. Chairman, they must agree to go into a very difficult and hard-to-fill skill. We do insist that they serve one year longer than the normal tour, which means that they must enlist, in the Army's case, for four years. That fourth year is extremely valuable to us.

This is how we can get people into the infantry and the artillery—in other words, fields which they did not even imagine they would be working in. We need bright high school graduates in those fields, and also in fields such as signal intelligence and those with language requirements where the requirement is very, very specific. We need special people in these areas and we are having a difficult time recruiting for these fields.

So we take these bonuses and we target them specifically for high-scoring high school graduates.

Mr. **Murtha**. Mr. Hefner?

Mr. **Hefner**. No questions, Mr. Chairman.

Mr. **Murtha**. Mr. Miller?

RECRUITING GOALS

Mr. **Miller**. Thank you, Mr. Chairman.

General, according to news reports the Army came up about 475 people short of its recruiting goal for the last quarter of calendar year 1988. Is that figure correct?

General **Ono**. We missed our first quarter of 1989 accession goal, sir. This is the period of October through December, 1988. We missed that by 471 recruits. We also missed the month of January by 6 and the month of February by about 400 enlistees.

Mr. **Miller**. What do you feel would correct this situation?

General **Ono**. In my mind, the resources and programs allowed Army recruiting have been cut a bit too deeply. What we are suggesting is the restoration of one offer, which is the Army College Fund, for two-year enlistees in non-combat fields. That's one.

Second, we are proposing that advertising dollars be increased because we feel that it has been cut too sharply.

CITIZENSHIP AND NATIONAL SERVICE ACT OF 1989

Mr. **Miller**. A bill has been introduced called the Citizenship and National Service Act of 1989 which would enable a young person to stay at home and earn $10,000 after one year of so-called "voluntary service." Has the Army had a chance to analyze the impact of this legislation on its recruiting goals?

General **Ono**. Sir, we have looked at it but we have not taken a position as of yet. It is a national issue and it does have a fundamental feature to it that makes it interesting, and that is that Federal education assistance is connected to Federal service, so that is a national issue and not a military one.

In our case, as I have looked personally at this program, there are some concerns that need to be addressed. First is that military service must be made more appealing than civilian service, in my mind. The differentiation should be distinct.

Mr. MILLER. On the face of it it appears that this bill would be damaging to Army recruiting and would possibly wreck the GI Bill, or at least the educational benefits program.

Do you think you could quantify the potential damage? Is it possible to have it and still not create a great problem for Army recruiting?

General ONO. We have not completed our analysis. The one feature, Mr. Miller, is in regard to the length of service, because the national service proposal is homed in on the two-year term of service, whereas the Army and the other military services have requirements for people who serve longer, three years through six years. This is because of the investment in training that we put into these people plus the need to stabilize the force and to take full advantage of their experiences and expertise.

BURDENSHARING INITIATIVES

Mr. MILLER. General, in your prepared statement you mentioned the backlog in construction, repair, and expansion for Department of Defense dependents' education facilities as one of your quality of life concerns for our military families serving overseas. Would you consider such construction to be a candidate for increased burdensharing by our allies?

General ONO. It might possibly be one avenue in which our allies could assist. But as you read in my statement, Mr. Miller, we do owe our family members a proper education and support facilities. The overseas construction and maintenance program has lagged severely. It needs to be shored up.

Mr. MILLER. It isn't exactly your responsibility as to the numbers that we have overseas. We frequently talked about the burdensharing, and there is a lot of conversation going around about removing some of our troops from NATO and possibly Japan or Korea. But that would be because of the lack of burdensharing.

I'm not sure if you have some thoughts on that because you fit into this personnel problem where you need to take care of them once they are there, and it can be extremely expensive.

I recall in the past where we have pulled out of some foreign nations and left housing and turned it over to the government. It was paid for by the taxpayers. It was the only way out; you couldn't move the building and bring it back, so it was a matter of keeping it there. But if the burdensharing had been there where some of the nations had at least helped construct the buildings, it would not have been as bad.

If you have any thoughts on burdensharing at all, I think it would be good for the committee to have them.

General ONO. Well, sir, it is outside of my element. As the Army's personnel chief, we do want to keep our soldiers and their families together whenever possible. We consider that to be a readiness issue; 56 percent of your Army is married. This is when you combine the officers and the enlisted, the first-termers and the very senior soldiers. What we discovered is that when given a choice, your soldiers will select to go overseas accompanied. For example, in Europe a soldier may go over there by himself or herself, leaving the family behind, and go on a shorter tour; however, 80 percent of our soldiers are selecting to bring their families overseas because they want to stay together.

We also find, Congressman, that unit performance rises as you have longer tours and greater stabilization. You get better behavior, primarily perhaps because the families are there. They are not distracted then with problems that may occur at home, thousands of miles away.

The last point is that we have discovered that keeping our families together aids in our retention. As we separate our families from our soldiers stresses occur within the families. Reenlistment is a family decision, and what we have discovered is that these stresses will lead to soldiers choosing to separate rather than to reenlist because they do not want to face further separations.

OVERSEAS ASSIGNMENTS

Mr. MILLER. Speaking of the 56 percent that are married. Again it is not your responsibility, I know that, but around the conference tables when you are discussing such things, it seems that we could send more single people overseas and then not have the construction cost and the additional cost for the families.

General ONO. The Army's policy is not to discriminate for or against married people or single people. What we are talking about here is that there are some career-enhancing assignments overseas, and therefore we should assign people to those jobs regardless of their marital status.

Second is the fact that we like to be fair, fair in the sense that if one section of our Army is serving overseas more frequently, then that group may be bearing a greater share of the responsibility than others, so therefore it is a matter of equity as well as being able to provide equal opportunity as far as assignments are concerned.

Mr. MILLER. I appreciate the thinking, but there are a lot of single people who undoubtedly would like to go overseas and do not have the opportunity. The married people with children then do have the opportunity, and that in turn requires you to have in your budget additional dollars for the construction of buildings and the like.

Thank you, General.

Thank you, Mr. Chairman.

HOUSING ALLOWANCES

Mr. MURTHA. Would you talk about the housing allowance? Where are you with the allowance?

General ONO. Well, the housing allowance, or Basic Allowance for Quarters—BAQ,—was raised on the 1st of January by 7 percent. The reaction from our soldiers so far has been one of satisfaction.

Mr. MURTHA. Has it in fact reduced their out-of-pocket expenses?

General ONO. Sir, all it has done is keep pace with inflation, so there is no real dent that was made in regard to out-of-pocket expenses.

Mr. MURTHA. What is the percentage of out-of-pocket expenses for an individual service person per year for housing?

General **Ono**. It is 21.5 percent at this point.

Mr. **Murtha**. That's down from 25 to 28 percent, so there is a little bit——

General **Ono**. Yes, sir, some decrease did occur. However, in the discussions last year, Mr. Chairman, you asked for my thoughts in regard to the pay bill, because the pay proposal was 4.3 percent at that time, and what was finally approved was 4.1 percent. I personally persisted in my thought that it would have been fairer to stay with the 4.3 percent because not everyone gets the housing allowance. The soldiers who are living in the barracks, as well as those who are living in Government housing, are not afforded the housing allowance, the BAQ, so therefore the across-the-board pay raise would have been fairer, in my mind.

Mr. **Murtha**. As you know, Congress appropriated $78 million more than the Defense Department requested, so we are taking care of the soldiers as best we can.

Mr. Hefner, any questions?

Mr. **Hefner**. No, Mr. Chairman.

Mr. **Murtha**. Mr. McDade?

ACTIVE RESERVES MIX

Mr. **McDade**. Thank you, Mr. Chairman.

General, the subject of force structure, because of the difficulties in cost, has been raised by the chairman, and I think it is a matter that is probably under discussion in your shop and all over the country. Some of the opinion makers are saying that the Army, instead of having 18 active and 10 reserve divisions, really ought to start a change pretty quick to be exactly the reverse, or some variation of that. What is your feeling about that, General?

General **Ono**. Well, the active component units, Mr. McDade, are forward deployed forces. They are rapid reinforcement forces and also deal with contingencies. The reserve components, given the necessity of mobilization and additional training, serve primarily as the long lead-time reinforcements.

We have already a third of our divisions in the reserve components, and six additional round-out brigades for the active component divisions. About 60 percent of our support forces and even half of our special operations forces are in the reserve components.

The current mix, I think, is about right. The Army has made this major shift of moving missions from the active to the reserve components, and I personally, as your personnel chief, watch readiness conditions of units in the reserve as well as the active component, very, very carefully.

There are some special problems in the reserve components. First there is recruiting because it is fixed geographically. If a unit is in Wilkes-Barre, Pennsylvainia, you really can't get a soldier who lives in San Antonio, Texas, for example, so the geographical situation becomes a challenge for us.

Second is MOS qualification. We may have a soldier being discharged from the active component who wants to join the reserves, but the MOS—the specialty field—may not be a perfect match, and therefore we find ourselves with a MOS qualification problem.

The third is personnel turbulence. This is the fact that Americans move about very rapidly, seeking different areas where jobs may be available. Also you have some soldiers who leave because of pressures from family or from their employer, so they depart also. This turbulence becomes a factor for us. And of course, you know about the situation with redesignation of units. A unit's mission may be changed and a totally new set of Military Occupational Specialties—MOSs—may be required for the unit, hopefully using as many of the same members who were in the previous unit.

So all of these things become a special challenge to your personnel director in the Army. We are exercising care before we add any further units. There are opportunities, of course, in certain areas where recruiting-wise and facility-wise more units can be accommodated, but it should not be done in a wholesale and pell-mell and undisciplined manner.

Mr. McDade. General, let me just put this to you as a hypothetical because it might be the kind of problem that we face in the Congress this year. Suppose we didn't have the dollars, or we were really under pressure—as I think we will be—to look at retention and quality. We want to keep some semblance of reasonable force size, but nevertheless all these budget pressures come.

If there were requirements to look at the 18 active and 10 reserve divisions and to begin to make some kind of changes in that force structure as we go along—and as I say, I think that's a real issue that people are commenting on and that is in front of us—where would you begin to do that? We don't want to do anything pell-mell, that's for sure. We want to retain the quality and capability that we have now, but given what appears to be a rather bleak landscape with respect to available funding, we hear your testimony about retention of quality and keeping the morale of the troops where it is now—we've got a really good Army and we're proud of it—given that kind of a problem, where would you begin to move, based on your experience?

General Ono. Sir, that primarily is an ODCSOPS question. Although we do participate in the deliberations along that line, it needs to be built from what the threat is, what our response to that should be, and how the force should be structured in order to counter that threat with the least possible risk.

I know that there is a host of thoughts being given with regard to different alternatives and it is continually under study at this moment. No solution has been reached.

Mr. McDade. Okay, General.

Thank you, Mr. Chairman.

Mr. Murtha. Any other questions? We will have other questions for the record. The committee will adjourn until 1:30 p.m.

[Clerk's note.—Questions submitted for the record and the answers thereto follow:]

END STRENGTH

Question. The Army is requesting an end strength of 772,300 men and women. This is 500 above the 1989 authorized end strength.

What is the rationale for the increase?

Is the Army proposing end strength cuts in the amended budget?

Answer. The 500 increase is actually a restoral of a reduction related to the FY 1989 officer reduction. When the final fiscal year 1989 officer reduction was apportioned to the Army (−500), the Army's end strength was inadvertently reduced. In all previous Congressionally mandated officer reductions the total end strength has remained constant, as the officer reductions were offset by increase in enlisted strength. The 500 increase to enlisted strength, then, just restores the end strength to the level prior to the officer cut. These 500 will be assigned to selected combat, combat support, and combat service support units in Forces Command to enhance readiness.

The Defense Department is still deliberating over the Bush Amended Budget, and I am not at liberty to discuss the various options which may be under consideration.

FY 1989 CONGRESSIONAL ADD-ON

Question. For the FY 1989 budget, the Congress added $100 million above the budget request for the Enlisted Pay and Allowance Account.

Can you briefly explain how these funds are being used?

Why did the Army under-budget the enlisted Pay and Allowance Account?

Answer. Per committee direction Army used the funds to substantially improve the average manning of the active force by over 5,000 (764,410 to 769,489 average strength). This action completely eliminated the wasteful early release from the active force of trained soldiers that had previously been planned for FY 1989.

The under-budgeting was the result of increased costs of execution in FY 1989 that was not anticipated plus the impact of the FY 1989 Budget Summit Agreement on Military Personnel, Army.

RECRUITING AND ADVERTISING BUDGET

Question. The FY 1990 budget request for the Active Army recruiting and advertising program is $662.6 million. If you add the request for the Army reserves and national guard, this amount is up to $1.1 billion. This is two and a half times the Navy's budget and four and a half times the Air Force's budget. Briefly explain why the Army's budget for recruiting and advertising have consistently increased even though the Army has generally been able to meet or exceed its recruiting goals?

Answer. The Army's budget for recruiting and advertising has had no real growth since FY 1986. The increases in dollar amount are largely due to inflation and pay raises. Considering resources in terms of the buying power of FY 1990 constant dollars, the buying power for recruiting and advertising budget has actually declined during the period FY 1986–1989, particularly in our incentive programs.

The advertising budget has not increased, but decreased steadily by 28 percent since FY 1986. Now, the cuts have gone too deep. Advertising industry costs have risen significantly and national media costs are estimated to be 4–5 percent above the Consumer Price Index. Advertising buying power is greatly reduced because industry inflation is well above operation and maintenance standard inflation rates.

Advertising cannot be looked at as a year to year line item. It has to be steady and sustained. Today's prospects are being contracted for this fiscal year and for the next fiscal year Delayed Entry Program. Furthermore, prospects who are influenced by advertising now may not contract until the next fiscal year.

The rate of inflation for education has also eroded the value of the GI Bill and Army College Fund kickers. The face value of the package and diminished by almost one third since 1985. The number of Army College Fund takers has decreased an average of 31 percent per year since 1986 (the first full year of implementation) and 5.7 percent per year as a share of all new enlistees. This loss of market share has exacerbated the Army's problem of recruiting high-quality enlistees in the historically college-bound segment of the youth market over the last few years. This indicates that it is time to re-look the level of the kicker benefit in order to make the Army College Fund more attractive. The same applies to our cash bonus levels.

Army recruiting success since FY 1986 has been made possible by a reduction in Army enlisted end strength and by covering production shortfalls for male quality soldiers with early shipments from the Delay Entry Program (DEP). The "entry DEP" is the pool of enlistees who have contracted in one fiscal year but will not access until the next fiscal year. It is our "bank account." We began FY 1989 with the lowest entry DEP in six years.

Active Army recruiting has become increasingly difficult and experiencing a significant shortfall in obtaining the required number of quality contracts over the last two years due to shrinking prime market, higher youth employment, and improved youth wages in the priviate sector.

RECRUITING GOALS

Question. Last fall, the Army did not meet its recruiting goal for the first time since 1980. The goal of 24,243 fell short by 475 men and women. The other services, however, met theirs. The Army also accepted 10.1% Category IVs, which is up from previous three years. For the past few years, the Army's goal has been to accept no more than 10% of Category IVs. If the Army maintains a 10% Category IV accession, what would be the impact on readiness?

Answer. Higher quality recruits contribute to higher levels of readiness. The positive relationship between aptitude measures of quality such as the Armed Forces Qualification Test (AFQT) and individual perfomance yields improved unit performance. In the report to the House Committee on Appropriatons entitled: Joint-Service Efforts to Link Enlisment Standards to Job Performance: Recruit Quality and Military Readiness, the Office of the Assistant Secretary of Defense (Force Management and Personnel) provides current research results which link indicators of manpower quality such as AFQT and measures of force readiness. Generally, an accession Category IV content of 10% would have a greater negative impact on the readiness of the Army than the 4% Category IV content of previous years (Fiscal Years 1986, 1987, and 1988).

Question. Are these Cateogory IV recruits high school graduates?

Answer. Yes sir, they are.

Question. Are you accepting non-high school graudates as Category IVs?

Answer. No sir, we are prohibited from doing so by law.

ARMY COLLEGE FUND (ACF)

Question. You presently offer a 2-year ACF for Combat skills only and a 3- and 4-year ACF for both combat and non-combat skills. In addition, the ACF is only offered to the upper mental group, Category I–IIIA. What is the percentage of total recruits who sign up for the ACF?

Answer. Education costs are up. The rate of inflation of education has eroded the value of the Montgomery GI Bill and the Army College Fund. The face value of the package has diminished by almost one-third since 1985. The number of ACF takers has decreased an avereage of 31% per year since 1986 (the first full year of Montgomery GI Bill implementation) and 5.7% per year as a share of all new enlistees. As of February 27, 1989, our accessions plus DEP totalled 84,532 and we had 11,563 ACF takers (13.7%). Here's how the Army looked over the last three years.

	Fiscal year—		
	1986	1987	1988
Total mission	135,530	133.016	115.386
Percent of ACF of total	26.3	19.5	14.9

Question. What percentage of the 2-year ACF remain beyond their initial obligation? How about the 3-year ACF; 4-year ACF?

Answer. Of the 2-year ACF takers who complete their initial tour, 13% reenlist for a second tour. This seems like a very small percentage. However, our 2-year ACF taker population is primarily soldiers who would never have enlisted had it not been for the 2-year ACF so we consider the 13% reenlistment quite a success. Of the 3-year ACF takers who complete their initial tour, 27% reenlist for a second tour and of the 4-year takers who complete their initial tour, 20% reenlist for another tour.

Question. The Army is proposing to offer a 2-year ACF to selected non-combat skills. Is this proposal included in the FY 1990 budget?

Answer. No, sir, at the current time it is not.

Question. Briefly explain the justification for this proposal.

Answer. It is the goal of the Army to continue accessing the high quality cohorts of the recent past. We believe we must have the 2+2+4 program to regain the lost market share of college bound youth and to offset the rising level of category IVs. We have proposed, and the office of the Assistant Secretary of Defense (Force Management and Personnel) has supported, a test to demonstrate the value of this incentive.

Question. Also briefly explain how this program will be implemented.

Answer. We are proposing a test of the program for 2-year noncombat arms ACF. We are including in the proposal a requirement for 2 years duty with the selected reserve in addition to the active duty 2-year period. This will increase the service commitment for these people and help fortify the active component and reserve component. This test is very important to us. It was designed by Rand and has 3 test cells, two geographical and one random. We will put the test into effect within 60 days after Congressional approval.

Question. Is there a legislative proposal to increase the amounts paid for the Army College Fund?

Answer. Yes, sir, We are staffing that proposal now.

Question. Can you briefly explain what the Army is proposing and why?

Answer. The loss of market share has exacerbated the Army's problems of recruiting high-quality enlistees in the historically college bound segment of the youth market over the last few years. This year has been especially difficult. Regarding the 3-year ACF of $16,200 and 4-year ACF of $25,200, the Army position is two-fold. First, we must reinstate some of the purchasing power (partial adjustment for inflation) of the ACF. Second, we must increase the spread between the kickers so that the 3-year and 4-year options are relatively more attractive than the 2-year option. Likewise, the 4-year option must appear more appealing than the 3-year option as the Army strives to increase the average recruited term of service.

Question. Under this new proposal, how much "college money" to include the Montgomery GI Bill, will a 2-, 3- and 4-year ACF soldier receive?

Answer. Our proposed legislation is consistent with our attempts to increase the average recruited term of service. Our proposal is as follows:

Term	MGIB	+	ACF	=	Total package
2 year	$9,000		$9,000		$18,000
3 year	10,800		16,200		27,000
4 year	10,800		25,200		36,000

RETENTION

Question. What percentage of first-term losses go into the reserves? How about second-term losses?

Answer. Approximately 34% of ETSing first term soldiers volunteer for assignment to a reserve component unit. Another 60%, by operation of law, transfer to the Individual Ready Reserve to complete their mandatory service obligation. We do not track second-term (mid-careerist) losses because of high reenlistment rates in the Regular Army and lack of vacancies in reserve component units for people of this grade (normally E6).

Question. For the record, will you provide a breakout by specialty (MOS) and by grade of those first-term and second-term losses who go into the reserves?

Answer. 97% of the transfers to RC units are Privates (E3), Specialists (E4) and Sergeants (E5). The skill distribution covers all the specialties in the Army's inventory with the few exceptions that are not in the RC unit structure.

MORALE, WELFARE AND RECREATION APPROPRIATED FUNDS

Question. Last year, the Congress placed a ceiling on appropriated funds for the morale, welfare and recreation activities at $1.163 billion. However, this amount is higher than the FY 1989 budget request. Did the Army sufficiently budget its MWR program requirements for FY 1989?

Answer. The ARMY OP34 MWR Budget Exhibit on which the FY 1989 MWR cap was established does not sufficiently reflect the requirement for FY 1989 in either currency fluctuation or overwater transportation costs. The cap shortfall due to foreign currency pegged rate fluctuations results from the use of outdated conversion rates in preparation of the OP34 Budget Exhibit. Overwater transportation requirements were revised subsequent to submission of the March 1988 OP34 Budget Exhibit due to increased consumer demand for U.S. goods and rate and workload increases. Since the submission of the OP34 Budget Exhibit for the FY 1989 budget, the Army has taken action to insure that future OP34 accurately reflects MWR program requirements and the same transportation and currency rates as reflected in the total budget submission.

Question. DOD is requesting this ceiling be lifted for FY 1990. From the Army's perspective, why are the services requesting the lifting of the ceiling? What is your budget request for MWR programs for FY 1990?

Answer. The Congressionally directed realignment of MWR activities into three major categories with their associated guidance on type and appropriateness of fund allocation and source is, in itself, sufficient to insure that the intent of Congress is followed. Since the services do and will adhere to the rules established, a spending cap is unnecessary.

Categorization by mission essentiality, tied to funding sources, generates new requirements for APF support in Categories A and B. Providing APF support then becomes prohibitive due to the spending cap.

The spending limitation also makes it difficult, if not impossible, to react to execution year changes. Transportation costs and currency fluctuations are only two of the most obvious and serious examples. The Army's request in the March 1989 OP34 submission shows as FY90 requirement for $540.5 million (including $49.8 million in MCA) in Army Managed MWR and $194.5 million in Joint Service Support for a total of $735.0 million. These numbers include the latest transportation rate changes and reflect the same currency pegged rate values as the Army budget.

Question. Do you anticipate spending more than this requested amount for MWR in FY 1990?

Answer. Subject to unforeseen changes in currency rate peg values for Army Managed MWR Programs, we do not expect to exceed the cap. For the Joint Service Support activities, we are at the mercy of consumer demands for US made goods and products and international shipping rates.

MORALE, WELFARE AND RECREATION (MWR) PROGRAMS

Question. In the FY 1989 Authorization Act, Congress directed that MWR activities be recategorized: Category A activities can be fully funded with appropriated funds; Category B, up to 70% appropriated funds and the remainder with non-appropriated funds and Category D, no direct appropriated fund support (by October 1, 1990). Open Messes are now in Category D. Will the Army need to close some open messes that are not generating revenues?

Answer. That may happen. The Army is currently contracting for local market analysis to be done by installations to determine the needs and desires of the local constituency. Using these results, it is anticipated that each commander can ensure that the programs offered through the club system and other MWR activities will meet the needs of soldiers and their families. Additionally, the Army has recently convened a strategic planning conference with representatives of major commands. The results of this conference identify a number of necessary actions required to overcome the reduction in appropriated fund (APF) support to clubs. Actions include changes in patronage policy, review of programs, close monitoring of the financial performance of clubs to ensure self-sufficiency, and identifying clubs for closure and consolidation. As a result, some clubs may be consolidated, others revamped in program offerings, others may have to be closed. It is the responsibility of installation commanders to determine the requirement for clubs on a given installation.

Question. Temporary Lodging Facilities (Sanno, Hale Koa, and the Armed Forces Recreation Center, Europe, etc.) are also in Category D. Will they be self-sustaining by October 1990?

Answer. The cited examples are classified as Armed Forces Recreation Centers (AFRCs) rather than Temporary Lodging Facilities. I will, therefore, address the question in the context of AFRCS.

The recategorization of MWR activities provided for in the FY 1989 Defense Authorizations Act does not affect the lodging mission of AFRCs. That mission was identified in the Assistant Secretary of Defense's 10 Aug 1987 letter as Category D MWR activities, with the associated levels of authorized APF support.

With respect to the specifically cited examples:

The Navy has management oversight responsibility for the Sanno.

The Hale Koa has been self-sustaining since 1981 without APF support, as directed separately by the House Armed Services Committee.

The driving force behind AFRC, Europe's future success is the ongoing capital improvement initiatives at Garmisch, Berchtesgaden, and Chiemsee. These initiatives will result in efficient, more attractive lodging facilities which will enhance customer satisfaction at reasonable cost. AFRC, Europe will still rely on APF support in the provision of its Category B recreation mission, as well as the APF support authorized for Category D MWR activities overseas.

Current operating initiatives, such as pricing and labor force size and composition, are leading toward operational self-efficiency which will be realized within the completed capital initiatives.

[CLERK'S NOTE.—End of questions submitted for the record.]

THURSDAY, MARCH 9, 1989.

MILITARY MANPOWER—DEPARTMENT OF THE AIR FORCE

WITNESS

LIEUTENANT GENERAL THOMAS J. HICKEY, DEPUTY CHIEF OF STAFF FOR PERSONNEL, UNITED STATES AIR FORCE

INTRODUCTION

Mr. MURTHA. The Committee will please come to order.

This afternoon we welcome Lieutenant General Thomas J. Hickey, Deputy Chief of Staff, Personnel, to discuss the Air Force military personnel.

Your entire statement will appear in the record, General, and after you summarize it for us, we will ask you some questions. Please proceed.

SUMMARY STATEMENT OF GENERAL HICKEY

General HICKEY. Thank you very much, Mr. Chairman.

I will make it a very short summary.

It is a pleasure for me to appear again before this committee.

I must report to you that the Air Force personnel system is strong and a viable force today. The quality is the best that we have ever had.

We have made some significant downward adjustments over the last two to three years already within the Air Force, about a minus seven percent in end strength in 1986 to 1991 time frame.

REDUCTION IN FORCE

We also are cutting back and have about a 12 percent budget authority reduction in real terms from the 1986 to 1990 time frame and that has resulted in force structure cuts, three equivalent tactical fighter wings and other parts of our force structure plus significant personnel reductions.

So we are approaching this year and this particular budget not as if we were looking at a new period of austerity, but we feel that we were already into that period of austerity and we are just trying to posture ourselves to continue to make the adjustments that look necessary.

We have reduced with the philosophy of committing to those people who are most committed to us, so we are trying to stay with our career force and those who have a commitment to the United States Air Force.

It does mean since we are two to three years in this process that there is very little flex left in the system and that goes particularly for non-programmatic cuts within the personnel system.

We are very sensitive to erosion of benefits or even the perception that there is an erosion in those benefits.

Having said that, accessions are healthy in numbers and quality.

OFFICER AND ENLISTED RETENTION

The enlisted retention is healthy. Our officer retention is healthy overall, but we have two pockets of concern, the first being high-tech engineering.

The numbers there are down. They are still manageable and we are watching it very closely and don't propose any extraordinary action.

We are hurting badly in the pilot retention area and bluntly the jury is still out on how well we are coping with that.

I expect that you all will ask me to expand particularly on the pilot retention problems that are facing us today, so I will close this overview and I stand ready to answer your questions, sir.

Mr. **Murtha**. Thank you very much, General Hickey.

[The biographical sketch and statement of General Hickey follows:]

BIOGRAPHICAL SKETCH
LT GEN THOMAS J. HICKEY

Lieutenant General Thomas J. Hickey is deputy chief of staff for personnel, Headquarters U. S. Air Force, Washington, D. C.

General Hickey was born Dec. 2, 1934, in Council Bluffs, Iowa, and graduated from Logan (Iowa) High School in 1952. He was awarded a bachelor of science degree in electrical engineering from Iowa State University, Ames, in 1956. The general completed Air Command and Staff College and concurrently earned a master's degree in public administration from George Washington University in 1967. He completed Squadron Officer School in 1963 and the Industrial College of the Armed Forces in 1974.

The general was commissioned through the Reserve Officer Training Corps program and entered active duty in the Air Force in June 1957 at Lackland Air Force Base, Texas. He then began primary pilot training at Bartow Air Force Base, Fla., and after completing basic flight training at Goodfellow Air Force Base, Texas, received his pilot wings in July 1958.

From September 1958 to December 1958 General Hickey received KC-97 transition training at Randolph Air Force Base, Texas and then transferred to Westover Air Force Base, Mass., for aircrew duty. In June 1964, while at Westover, he became aide-de-camp to the 8th Air Force deputy commander.

After completing Air Command and Staff College in August 1967, General Hickey was assigned to Davis-Monthan Air Force Base, Ariz., for F-4 combat crew training. He transferred to the 366th Tactical Fighter Wing "Gunfighters" at Da Nang Air Base, Republic of Vietnam, in June 1968 as an aircraft commander with the 480th Tactical Fighter Squadron. The general moved with the squadron to Phu Cat Air Base, Republic of Vietnam, in April 1969. While in Southeast Asia General Hickey flew 220 combat missions, 63 over North Vietnam.

Upon his return to the United States in July 1969, the general was assigned to the Directorate of Personnel Plans, Office of the Deputy Chief of Staff for Personnel, at Air Force Headquarters until July 1973. After graduating from the Industrial College of the Armed Forces in July 1974, General Hickey was assigned to Cannon Air Force Base, N.M., where he served as the 27th Tactical Fighter Wing's assistant deputy commander for operations, then as deputy commander for operations, and later as vice commander. In August 1976 he assumed command of the wing.

In November 1977 General Hickey was assigned as deputy chief of staff for personnel for Tactical Air Command at Langley Air Force Base, Va. From June 1980 to July 1981 he was assigned to the Office of The Deputy Chief of Staff, Manpower and Personnel, Air Force headquarters, as deputy director of personnel programs. He then transferred to Headquarters Air Training Command, Randolph Air Force Base, as deputy chief of staff for technical training. In September 1983 he was assigned to Keesler Air Force Base, Miss., as commander of the Keesler Technical Training Center. The general assumed his present duties in August 1986.

General Hickey is a command pilot. His military decorations and awards include the Silver Star, Legion of Merit with two oak leaf clusters, Distinguished Flying Cross, Air Medal with 13 oak leaf clusters, Air Force Commendation Medal with one oak leaf cluster, Republic of Vietnam Gallantry Cross with silver star and Republic of Vietnam Gallantry Cross with Palm.

He was promoted to lieutenant general Aug. 15, 1986, with same date of rank.

General Hickey is married to the former JoAnn Davis of St. Louis. They have two sons, Tom Jr. and Christopher.

STATEMENT OF LT. GENERAL THOMAS J. HICKEY

Mr. Chairman and members of the Committee, it is a privilege to appear before you today to address the manpower and personnel challenges facing Air Force leadership. My report reviews the investment you have made in our people and highlights some of our primary concerns in sustaining a viable combat ready force for the 1990s and beyond.

Air Force readiness depends on the quality and motivation of our people. These people, both military and civilian, are the finest this country has to offer and they are diligently discharging the tasks and responsibilities the nation has entrusted to them. They are our number one priority and should be your first priority also.

The Air Force of the 1980s is a dynamic and responsive force. But to meet mission requirements, we are confronted with numerous challenges, both internal and external in nature. For example, the airlines are drawing our pilot inventory down at an alarming rate. If appropriate actions are not taken, we will have a pilot shortage of approximately 2,500 by FY 1994. We hope the new bonus implemented January first of this year will help. Our experienced electronics and aircraft maintenance non-commissioned officers are being offered lucrative opportunities with civilian firms. Higher private sector physician compensation and a national nursing shortage threaten sustained delivery of quality health care and medical readiness. The Air Force competes for the best people in a highly competitive market. We cannot afford to lower our standards, but are unable to offer competitive pay and opportunities that our civilian competitors do.

All Air Force people have the right to expect a competitive compensation and employment package including pay; allowances; advancement; morale, welfare and recreation programs; adequate reimbursements for moving expenses; and quality medical care. Failure to compete in these areas could lead to unrecoverable losses like those in the late 1970s when pay caps and private sector job opportunities influenced many talented, experienced people to leave the Air Force.

We understand the federal budget dilemma and the challenges it poses. The Air Force, however, has gone as far as it can in doing more with less. Congressional action which threatens closure of morale, welfare and recreation activities, and mandates force reductions, seriously compromises our ability to provide stability and send positive signals to our people. Doing the Air Force job with smaller budgets and a potentially less experienced force will be perilous.

In his keynote address at the most recent Air Force Association National Convention, former Air Force Secretary Aldridge spelled out what he believed would be the challenges facing future leaders of the Air Force. "The first challenge," he said, "is to maintain the quality of our people. ... People remain the key -- I've said it many times before and will continue to say it -- weapon systems don't win wars, people do. ... I know that if we take care of Air Force people -- they will take care of America." I hope we can all do more than just endorse that view.

PILOT RETENTION:

Pilot retention is a critical problem now. The FY 1988 pilot cumulative continuation rate (CCR) was 43 percent, down 35 percentage points from FY 1983, and the fourth consecutive year below the long term sustainment rate of about 63 percent CCR. To set this in perspective, over 45 percent of the pilots eligible to separate during their seventh and eighth years of service did so in FY 1988. This, combined with losses from other year groups, totaled 2,263 pilot losses, an increase of over 150 pilots from FY 1987 and over 750 more than FY 1988 UPT production.

We are now operating in an environment in which the competition for experienced pilots is much stronger and more sustained than any time in history. Calendar years (CY) 1984 and 1985 were record years, with 5,465 and 7,622 airline pilot hires. CY 1986, 1987, and 1988 totaled 6,444, 7,010, and 6,683 respectively. These numbers are several times greater than the annual average of 1,935 hires per year from 1976 to 1983. The US airline industry alone has over $27 billion of new aircraft on order with estimates of 5,700 new commercial aircraft being delivered by 1995.

The Air Force has taken a number of non-monetary steps to increase retention and cushion the impact of current and projected pilot shortages. We have made a complete review of the pilot requirements structure and created an operational support career field which has significantly reduced the number of non-flying pilot positions. The major commands have taken positive steps to improve working conditions for pilots. For example, Military Airlift Command (MAC) has made significant policy changes directed at improving its flying/traveling schedule -- the major source of complaints from MAC aircrews. The revised Officer Professional Development program focuses on many irritants affecting a pilot's decision to leave the military. An increase in the active duty service commitment for pilot training and the selective continuation program for pilots not selected for promotion will increase the expected return on training investment. While these initiatives should help ease short-term pilot irritants, monetary incentives play an essential role in the long term solution to the retention problem.

From 1974 through 1988, Aviation Career Incentive Pay (ACIP) was the only monetary incentive used by the Air Force to attract and retain career aviators. On 1 January of this year we began offering a pilot bonus. Aviator Continuation Pay (ACP) was developed as an immediate fix to augment ACIP and help reverse the decline in pilot retention. Our analysis suggests that continued authorization to offer ACP to fixed wing pilots would help reduce the projected FY 1993 pilot shortage by approximately 50 percent. This improvement would be further supplemented if our primary aviator monetary entitlement, ACIP, was increased to restore and maintain its purchasing power at the 1981 level, the last time the rates were increased.

Enhanced ACIP is an important factor in a long term, stable pilot retention equation. It would not only assist in improving retention while the bonus is in effect, but for the remainder of the officer's career.

OFFICER FORCE REDUCTIONS:

We are in the process of a 6,800 Air Force officer corps reduction initiated as a result of language contained in the FY 1987 National Defense Authorization Act requiring the number of officers in DOD to be reduced by 6% by FY 1989. Subsequent legislation (FY 1988 and FY 1989 Authorization Acts) amended this DOD reduction requirement; however, the Air Force still projects its FY 1990 officer strength to be down by 6.2% from where it was in FY 1986. We are working hard to minimize the negative effects of this reduction on readiness; however, cuts of this size will not be without some cost in the future.

We have made every effort to make the reductions with minimum impact on our people. We initially avoided painful involuntary separation actions by reducing accessions and allowing officers to voluntarily separate early; however, a selective early retirement board in November 1988 was required to help meet FY 1989/1990 reductions and grade strength limitations.

To temper the loss of current technological expertise and to minimize impacts on readiness, the voluntary early release program was amended to exclude some categories of officers. Among these were pilots, engineers, scientific/technical officers and medical officers. Regardless, over 600 officers (700+ if retirement waivers included) separated early in FY 1988. Additionally, 96% of these officers had 3 or more years of service experience.

Since the lower officer end strength mandate requires fewer accessions, we drew down both ROTC and OTS officer production rates significantly. We project that OTS production will remain in the

1,000 to 1,500 range through FY 1990 which is less than half of previous levels. In the area of ROTC production, we have reduced production to the 2,500 level which has adversely impacted the viability and efficiency of our current ROTC detachment structure. However, the biggest drawback to the four consecutive years of reduced officer accessions will be the "experience holes" the Air Force will face in the future as the smaller year groups age through the force.

ENLISTED FORCE REDUCTIONS:

In FY 1988 we were forced to cut the size of the enlisted force by almost 30,000. Approximately two thirds of this reduction was the result of a $325 million funding shortfall caused by reductions taken by Congress in the Military Personnel Appropriation (MPA) account. The reductions seriously affected accession and manning levels throughout the enlisted force.

Taking these reductions from accessions alone would have driven FY 1988 recruiting down to 30,000 or less -- levels that could not sustain the Air Force in the future. To avoid an accession cut of this magnitude, we had no choice but to implement an involuntary early-out program. About 13,000 members projected for separation in FY 1989 were released in April 1988, many up to 12 months early. Additional savings were realized through a date-of-separation program in which 11,000 airmen scheduled to separate later in FY 1988 were released early in March 1988, up to 6 months early. The savings obtained through these two programs permitted retention of a slightly larger end strength -- which translates into fewer accession cuts than originally forecast. Specifically, these early release programs permitted FY 1988 non-prior service accessions to be held at 41,200 (about 10,000 higher than if all the cuts had come from accessions) and FY 1989 accession levels at 43,450 (about 6,550 lower than originally forecast). Despite this balanced approach, the impacts associated with these lowered accession levels will affect enlisted force experience in the outyears.

Our FY 1988 MPA account was originally based on enlisted grades capped at the proportions we had in FY 1986 -- at that time the top five grades were limited to about 46% of our authorized enlisted strength. Reductions taken in FY 1988 to meet the dollar constraints reduced the total enlisted strength. Because most of these actions taken affected the first term force, the result was that a larger percentage of our grades were in the top five grades. Our top five grades at the end of FY 1988 were 48% of our reduced end strength -- but only 46% of our authorized strength.

In FY 1989, a CONUS Early Release Program is required to maintain the enlisted force within the budget appropriated by Congress. This program will include: the release of approximately 1700 first- and second-term airmen in March 1989 who are identified as ineligible to reenlist, and the selective early release of approximately 3,700 first-term airmen in March 1989 who have already established dates of separation between April and September 1989. Additional actions to be taken in FY 1989 to save dollars in the MPA will include allowing individuals promoted to master, senior master, and chief master sergeant to request a waiver of all but six months of their promotion active duty service commitment and a reduction of approximately 3,700 non-prior service accessions.

Another consequence of the enlisted reduction is that our FY 1988 promotion selection rates to staff sergeant, technical sergeant, master sergeant, senior master sergeant and chief master sergeant were at the lowest levels in the last ten years. With the force remaining at these reduced strength levels, the outlook for FY 1989 is not much better. Any arbitrary reductions to the top five grades will continue to slow promotions and will adversely impact the career force at a time when these highly trained NCOs are critically needed because of the force drawdown. More specifically, the Air Force could find itself in a position where it did not have the experienced cadre of career NCOs needed to carry out the day to day peacetime mission or to train new recruits in the event of rapid mobilization.

DOD IG REVIEW OF UNIFIED AND SPECIFIED COMMAND HEADQUARTERS:

In early 1988 the Deputy DOD IG reviewed the organization of unified and specified command headquarters, their service components, and other supporting units with a view toward reducing manpower and overhead costs, and overlapping responsibilities. His report, known as the Vander Schaaf Study, recommended a 7309 (2472 Air Force) manpower reduction. The SECDEF and JCS review of this report resulted in a directed 2990 authorization reduction of base operations support management, and headquarters staff of the unified, Joint Staff, specified, and supporting component command headquarters staffs. The Air Force portion of this cut was established as 1173 billets (1037 from USAF components and 136 from USAF billets assigned to JCS/unified/specified commands). Of the 1173 billets in question, 747 resulted in an end strength reduction while 426 were realigned to valid combat shortages.

RECRUITING:

Air Force capability in the next decade depends on the quality of new officers and airmen and their ability to learn the necessary skills for initial duty and to grow into the challenges of tomorrow. We have enjoyed great success meeting past objectives; we are cautiously optimistic about meeting our future recruiting goals.

Advertising funds remain a principal concern. Our FY 1990 advertising budget of $15.3 million is actually $1.5 million lower than the FY 1987 amount and has not kept pace with significantly higher advertising costs. Because of competing budget priorities, fewer actual dollars remain available for Air Force advertising.

Today, the success of our recruiting efforts demands the right mix of resources, incentives and benefits. One of the primary incentives of our successful enlisted recruiting effort has been the Montgomery GI Bill (MGIB). We have had a steady increase in participation rates in the MGIB. Currently, seventy-seven percent are signing up compared to 6 percent for the Veterans Educational Assistance Program. While we have not yet felt the recent recruiting difficulties of our sister Services, a declining volunteer market and increased private sector competition will make our future recruiting objectives more difficult. A national nurse shortage, declining nursing school enrollments, and growing civilian requirements will make nurse recruiting extremely difficult for now and in the future. Our physician and nurse recruiting objectives have steadily increased from FY 1988 to FY 1990 by 71% and 25% respectively. Although we cannot compete directly with the private-sector in the area of pay for our health care professionals, we must provide reasonable expectations for stable financial support and secure benefits. Congressional support of physician bonus increases and recent Title 10 changes allowing for additional constructive service credit and extended maximum appointment age for nurses and other health professions should help ease some of the health profession recruiting difficulties.

ENLISTED RETENTION:

Using early releases and fewer non-prior service accessions to meet end strength ceilings will continue to change the enlisted career force mix. In FY 1981, first-termers comprised 52 percent of the enlisted force; today that figure has fallen to 39 percent. Lower enlisted accessions now mean fewer reenlistment eligible first-termers in the future. Any decline in first-term retention would dramatically impact tomorrow's Air Force and could jeopardize readiness over the long term. With a stable end strength, these smaller first-term year groups may not be enough to supply future career force entry goals.

Strong congressional support of our reenlistment bonus program has enabled us to retain the most critical enlisted skills (air traffic/combat controllers, computer programmers, and sortie generating career fields). We receive an effective return of 5 to 1 when comparing the SRB costs to training costs saved. However, the SRB program is only part of the solution. It is equally important that we pursue a solid foundation for our compensation and entitlement programs. Stable pay and benefits are also necessary to maintain our competitive edge to retain highly technical, experienced people that are most actively pursued by the civilian sector.

MILITARY PAY:

An underlying principle of the volunteer force is that military pay must be kept competitive with private sector wages to attract and retain sufficient numbers of quality volunteers over the long term. Congress approved sizable pay raises in FY 1981 and FY 1982, prompted by the decline in recruiting and retention of the late 1970s. Since that time, however, six of seven military pay raises have been capped at a level below private sector wage growth and, as of the 1 January 1989 military pay raises, have been 10.1% below private sector pay raises.

From FY 1982 to 1988, the purchasing power of military pay remained constant relative to inflation. If approved, the FY 1990 pay raise of 3.6% will, at best, maintain the status quo on comparability and purchasing power. Though elimination of the pay gap may be unachievable in the present economic environment, we must not allow further erosion in the purchasing power of military pay. We must sustain the quality of life for all Air Force people and their families.

VARIABLE HOUSING ALLOWANCE:

Since the inception of the Variable Housing Allowance (VHA) in 1980, Congress has imposed continuous caps, freezes, and modifications which have seriously compromised the intent of the program. Two prime examples are the failure to provide the full inflation adjustments required by law in FY 1987 and FY 1988, and the budget limitation imposed by Congress in FY 1988 and FY 1989. These constraints precluded us from making needed rate adjustments and denied our people the full protection intended by the program. In FY 1989, VHA rates were established using current housing cost data collected from the 1988 VHA Housing Survey. However, the FY 1989 VHA funding ceiling was a major contributor to the cut in VHA rates for approximately 69 percent of Air Force VHA recipients (66 percent DOD-wide). This marks the second consecutive year VHA rates were lowered for a majority of Air Force recipients in order to remain within the VHA funding ceiling. Members now absorb 21.5 percent of their housing expenses vice the 15 percent initially intended by Congress, and continuation of the VHA funding limitations seen in recent years will prevent further reduction of members' out-of-pocket housing costs. I ardently request your support for the FY 1990 VHA funding request.

In the DOD study on housing allowances directed by the Armed Services Committee, we hope to present options that will fix VHA in a manner that is fair to service members. Whatever changes are eventually adopted, the system must be allowed to operate without the spending caps or other artificial constraints that have contributed to the instability of the current VHA program.

PCS REIMBURSEMENTS:

Despite efforts to reduce family turbulence caused by relocations, PCS reimbursements remain a major concern for Air Force families. Since 1980, the results of every annual Air Force PCS Cost Survey have confirmed that military personnel are significantly underreimbursed for expenses incurred during government-directed moves. Average out-of-pocket expenses range from $1,300 to $2,725 per move depending upon grade and dependency status. Recent congressional action has recognized the importance of alleviating significant relocation expenses by approving increased household goods weight allowances and funds for temporary lodging expenses. However, it is important that PCS entitlements continue to receive full congressional support to minimize out-of-pocket expenses due to government-directed moves.

PCS MANAGEMENT:

Since FY 1986 the Air Force has dealt with budgetary constraints that have created tremendous funding shortfalls in the permanent change of station (PCS) account. These shortfalls have hampered our ability to fulfill our global commitments, meet operational requirements and provide fair, equitable treatment for Air Force people.

Because CONUS operational moves constitute only 13.5 (FY 1989) percent of the total PCS budget, the potential savings in this category are extremely limited. Consequently we have had to take savings from overseas rotational moves which forces many adverse effects on our people and their commanders. Other categories of moves, such as accession, training, retirement and separation, are driven by programmatic factors less controllable than operational or rotational moves.

The Air Force made 130,000 operational and rotational (O&R) PCS moves in FY 1985 and 125,000 in FY 1986. In FY 1987, a $141 million funding shortfall ($70 million carried over from FY 1986) reduced O&R moves to 110,000 and the FY 1988 funding shortfall of $99.9 million allowed only 105,000 O&R moves. In FY 1989, we were authorized funding for 108,000 O&R moves; however, cost inflation and increased weight entitlements limited us to 106,000 O&R moves. This is an 18 percent reduction since 1985.

We have already implemented a number of measures to reduce rotational costs: increased selected overseas tour lengths; offered incentives for overseas extensions; given priority assignments for those volunteering for extended overseas tours; established an assignment throw-back program; liberalized overseas extension policy; and initiated in-place and in-theater consecutive overseas tour programs. Further savings have been realized by cost-cutting programs in other categories of moves; we have expanded the voluntary stabilized base assignment program; tightened up designated location moves; encouraged do-it-yourself moves; increased time-on-station requirements; and eliminated CONUS maximum tours when feasible.

These initiatives enabled us to meet the FY 1987 funding shortfall. But we were forced to take more drastic action to deal with the FY 1988 deficit, including establishing an 85 percent CONUS manning floor and a 90 percent overseas manning floor; soliciting overseas tour extensions; and further increasing the number of technical training graduates sent directly overseas to replace experienced NCOs. These actions will be continued for FY 1990.

Initially established as temporary measures, the "institutionalization" of these procedures will continue to result in less than optimum personnel utilization. CONUS and overseas major commands are very limited in resolving skill imbalances; overages created by promotion, etc., at one location cannot be reassigned to locations with lower manning levels because of limited funds. Simply stated, funding shortages directly impact the efficient distribution of the personnel resource. Further cuts in PCS funding could seriously affect our ability to meet operational requirements and maintain high morale and retention.

OVERSEAS STATION ALLOWANCE:

The relative weakness of the US dollar compared to most foreign currencies requires a timely and accurate Cost of Living Adjustment (COLA) program. The continued decline of the US dollar has substantially increased funding requirements for overseas station allowances. In the past, these increases have been funded by reprogramming from non-Military Personnel Appropriations (MPA) and by nonprogrammatic force structure reductions. Since the MPA is 96 percent entitlement driven (no flex to reprogram) and COLA is a must-pay allowance, we must continue to cut critical programs to ensure that our members stationed overseas have the same purchasing power as their counterparts in the CONUS. The Foreign Currency Fluctuation Account would insulate the Air Force military program from the volatility of the foreign currency market.

TRAINING AND EDUCATION:

One of the Air Force's greatest strengths has always been its training programs. Recent fiscal limitations, however, have caused us to reduce the percentage of people receiving initial specialized skill and formal progression training programs. Advanced education programs, particularly in the science and engineering fields, have also been reduced. Historically a strong recruiting incentive, well planned and executed training programs are essential to productivity and mission accomplishment. With the onset of larger enlisted accession groups and advanced technology, more training will be needed in the future, not less, in order to maintain and operate our equipment. Additional reductions to training and education programs could seriously affect our state of readiness.

CIVILIAN PERSONNEL:

Our key message with respect to the compensation and management of the quarter million civilians in the Air Force is two-fold: let us work together to ensure a stable budget environment and to enact civilian personnel legislation that reflects a long-term focus and that does not compromise the formation of a cohesive civilian force.

Stable and predictable defense funding foster constructive change. We appreciate the Congress' timely action in authorizing and appropriating funds last year. However, a two-year, FY 1990/1991 biennial defense budget represents the critical next step. It may be difficult to achieve stability when addressing the budget deficit. However, we need to avoid budgetary actions, in such areas as training, that would hollow out our civilian force through non-programmatic reductions.

A more stable funding environment also requires fewer interventions as well. In this regard, we urge Congress to drop the overseas workyear ceiling and to permanently exempt DOD from ceilings on the civilian workforce. The overseas ceiling has not been breached and has become an anachronism with the emphasis on increased burden sharing.

In the 1990s, we face a great challenge in maintaining a cohesive and professional civilian team in the face of fragmenting forces, more competitive labor markets, and calls for better pay that may be very difficult to deliver in the face of the budget deficit.

With the 101st Congress, the federal civilian personnel system faces its most probing examination since the enactment of the Civil Service Reform Act ten years ago. Restructuring of the health benefits system, expiration of the performance management system for civilian managers on 1 October 1989, and consideration of new pay systems are all on the table.

These issues are under the jurisdiction of the civil service committees of Congress. But our actions or inaction will bear largely on the interest of this committee and we welcome your attention and assistance.

We are attacking these issues in two ways, internally and externally. We are actively researching new compensation concepts with the Office of Personnel Management. The civilian personnel community has made a concerted effort to expand and export new technologies to simplify and make more flexible the personnel system. Our pilot system for allowing managers to manage human resources to budget, known as PALACE Compete, is being expanded to nine bases. At another location, we are experimenting with an interactive video disc display to answer the questions of job candidates about job openings and the job application process. We have asked our major commands to submit proposals on alternative child care services and are reviewing them.

In another area, we are considering legislation to provide payment for degree programs. This would help in the recruitment of professionals, particularly scientists and engineers. The Administration submitted legislation to the last Congress to accomplish this, and we expect similar legislation will be submitted to this Congress.

Discussion about the expiration of the Performance Management and Recognition System (PMRS) for civilian managers has been largely eclipsed by the debate over pay. However, we view changes to PMRS as key to maintaining a cohesive force. We believe the solution lies in simplifying the system and ensuring that rewards are substantial for truly outstanding work. Toward that end, we are working with the Office of Personnel Management on testing various concepts and look forward to working with Congress on possible changes.

Temporary employment is an excellent tool to meet the fluctuating workload in DOD. We are, however, concerned about the proper use of temporary employees. We are working with DOD on some innovative concepts which will protect the rights and interests of temporary employees as well as provide us with the flexibilities needed to manage our fluctuating workloads.

SOCIAL ACTIONS PROGRAMS:

Substance abuse and poor human relations directly impact readiness. We learned that lesson in Vietnam and created the Social Actions program in response. Even our adversary is now acknowledging the negative impact of ethnic strife and substance abuse on their military forces.

We remain committed to Social Actions programs designed to promote positive human relations and a substance-free Air Force, and we have made great progress in both areas. However, budget reductions have now forced us to draw down our resources in these programs. Although our level of effort will meet the immediate needs of our personnel, the threat to mission accomplishment remains. "Designer" drugs at lower prices and dramatic demographic changes in our country present additional challenges to counter substance abuse and ensure equity in all facets of Air Force life.

FAMILY SUPPORT CENTERS:

The well-being of Air Force families is essential to members' satisfaction with Air Force life and caring for families ultimately contributes to mission readiness. Family Support Centers work with base agencies and officials to identify, develop and coordinate programs that improve the well-being of families. We believe these activities significantly enhance morale, productivity and retention of quality career Air Force members. Strong support for this program validates our commitment to provide viable quality of life programs to Air Force families. Since over two-thirds of our members have family responsibilities, continued strong support for Family Support Centers is crucial.

While new Family Support Center starts were frozen in FY 1983 and FY 1984, program openings have been on schedule since FY 1985. All 123 centers should be funded by FY 1991. MAJCOM commanders are anxious to have their centers on line as evidenced by actions to accelerate construction with out-of-hide resources.

MORALE, WELFARE & RECREATION:

Over the past three years, Congress has increased its oversight of MWR in an effort to place MWR funding in a more defensible posture for the austere budget years ahead. To reduce taxpayer funding in areas they perceived as indefensible, Congress reorganized MWR activities into three funding categories and defined where appropriated and nonappropriated funds should and should not be spent. Total Air Force MWR appropriated fund (APF) authorization was reduced by $64.5 million over the three years and capped to prevent further growth. Congress targeted these cuts at MWR business activities such as golf, bowling, open messes, marinas and other activities capable of generating revenue, removing direct APF support, except for overseas installations. This included direction to replace military and APF civilian employees in these activities with NAF personnel. Congress also directed the Services to limit the NAF subsidy to mission essential activities. While the Air Force is determining the additional cost of this action, current monetary and personnel limitations restrain our ability to implement congressional guidance. Time is also required to develop implementing instructions for the field activities.

The original APF ceiling placed on MWR by the Appropriations Committees was intended to encourage the Services to restructure activities to the congressionally directed categories. That restructuring has now been done, but the cap limits our ability to comply by restricting the amount of APF that can be used. Specifically, the amount of APF being moved from category C/D to A/B is not great enough to comply with the congressional guidance to maximize support to categories A/B. We would ask your assistance in obtaining relief from the cap so we can comply with your funding guidance for these activities.

In addition to redefining MWR's funding policies, Congress gave the Services specific direction to place MWR on a more business-like footing. This included raising fees and charges to within 25 percent of the cost of similar off-base activities and to operate MWR activities on a demand driven basis. The Air Force is responding by increasing golf, bowling and open messes fees by 40 to 100 percent, eliminating APF support for golf courses maintenance and by closing or consolidating those with insufficient patronage.

To focus further attention on the need to operate MWR more business-like, Congress looked at the projected return on investment for any proposed construction involving an MWR business activity. Several top priority projects for the Air Force were disapproved or deferred purely on a financial basis. While financial return on investment should be a factor in the approval process, the impact on investment in Air Force people at locations where needed facilities are denied should also be a consideration. The Air Force has always followed a "greatest need" philosophy in prioritizing MWR construction, with overseas locations receiving primary consideration. We would ask Congress to consider this when reviewing our recommendations for NAF construction.

Congress has recognized the need to retain APF funding for business activities at remote and isolated locations where off-base recreation activities are unavailable. Since most direct APF support for certain business activities was discontinued on 1 October 1988 and will stop for all on 1 October 1990, timely congressional approval of locations nominated for remote and isolated status is needed to ensure MWR activities can continue to meet mission requirements at those locations.

The Air Force is working on a plan to present to OSD/OMB seeking some level of APF support to open messes for their on-site feeding function. This support would acknowledge the Air Force has the same responsibility to feed its work force as any other employer or government agency.

A final major concern is compliance with Congressional guidance to convert APF civilians in business activities to NAF employees and all NAF employees in mission essential MWR activities to APF employees. The Office of Secretary of Defense is in the final stages of preparing a report to the Congress concerning portability of employee benefits. The life blood of any business is the employees who manage and operate it. We cannot afford to short change them in the process of restructuring our funding procedures.

The Air Force has worked conscientiously to implement Congressional guidance for changing the way we do business. We have implemented new personnel and funding policies and have raised fees and charges to move business activities toward a self-sufficient posture. These changes have resulted in turmoil at the unit level that have severely impacted our employees and clientele. Legislation is needed to effect portability of employee benefits. Further, congressional recognition is needed for APF support at remote and isolated locations, as well as for open mess on-site feeding concept. In addition, a period of stability is needed to fully implement the direction of Congress and acclimate the Air Force community to recent changes. Morale is a delicate value not easily developed or defined but invaluable to a military organization. We must let this knowledge guide us as we face the challenges of the future.

CONCLUSION:

Mr. Chairman and members of the Committee, I have addressed the primary manpower and personnel concerns challenging Air Force leadership. We will continue to make the tough decisions necessary to stay within your guidance yet maintain a viable combat force. However, continued congressional funding constraints imposed on our compensation, environmental, and force structuring programs could jeopardize programmed development designed to cope with future mission responsibilities. The FY 1990/1991 budget represents our commitment to meeting these challenges while maintaining sound fiscal stewardship. With your support, I am confident we can provide a stable environment for our most important priority, our people.

RECRUITMENT

Mr. **Murtha**. General Hickey, the admiral and I were talking after the Navy hearing about the ordinary person going into the service today.

For instance, it used to be I received letters from people who were trying to get out of the service. I still get a few of those, but now, particularly for the officer's selection, I get letters from outstanding students and, of course, we nominate some of those to the academies.

There are others that go through the Air Force and the regular ROTC programs of the various services.

Do you take just the ordinary person? Do you judge people on ways other than just intellectual ability, or do you have such a large pool that you can afford not to select the ones that have done well academically in college?

General **Hickey**. I would say that we have enough applicants for officer candidacy that we can be very selective.

Sometimes it is argued, we argue among ourselves that we rely too much on grade point and SAT scores and intellectual ability because those are easily measurable.

We have an ongoing study now which would help us to better identify those people who by personality and background have a higher propensity to be career officers.

We don't have that finished yet, but that is an ongoing study that has been going on for four or five months and it will be an equal time until we finish that.

We do have great selectivity. We rely on their intellectual capability and the skills and in the pilot force, that is attributable to whether they have already obtained a private pilot's license and do they have technical skills that they can bring us as well as be good candidates for pilot training.

OFFICER COMMISSIONING

Mr. **Murtha**. Admiral Boorda for instance, went from enlisted into the chief ranks and was commissioned in a special program.

Do you have programs where enlisted men can apply and be commissioned, or do they all have to have college degrees?

General **Hickey**. We require a college degree for commissioning, but we do have two significant programs that allow enlisted personnel to find a path to commissioning sources.

The first is the enlisted personnel may use our off-duty education program and attain a degree and then apply to officer training school to become a commissioned officer and we have a significant number that do that every year.

We are very happy to have them. They are very good career people.

Mr. **Murtha**. Do you have room for exceptions? For instance, a person that may not have passed the tests and so forth, but gets recommendations or has been an achiever as an enlisted man. Are you able to get him through the system?

Is he eliminated if he doesn't meet those intellectual standards?

General **Hickey**. One of those we take care of through the Airmen Education and Commissioning program in which we take a person who doesn't have a degree, but has an intellectual capability which we can measure, we will support his college degree and he goes through school as an enlisted person and then we commission him.

If we have someone who is a great soldier or airman but is unable to get through college, the competition is so tough right now to get on active duty that we would not make an exception for him and we would opt for equally good or better personnel that have a degree.

Mr. MURTHA. I have found that a C student doesn't get into most of the Services today. When they come and ask us to recommend them, I find the competition is so stringent that you are cutting a lot of people that look like they would make good officers.

Is there is no way to measure a person except by that grade standard?

General HICKEY. That is what we have been using historically. What we are after is what you are talking about, because there are some of us old folks in the military who couldn't pass all those grade requirements ourselves.

RESERVE OFFICER TRAINING PROGRAM

Mr. MURTHA. General P.X. Kelley and I were speaking someplace and I said that the standards are so high, he and I couldn't get into the Marine Corps Officer program today.

That is a shame if you are that stringent. I am not blaming the Air Force, I am just saying it seems we ought to have a way to select a person who looks like they would be good and who may not show up high academically early on.

General HICKEY. We have a way to do that, through the normal ROTC program at universities.

Mr. MURTHA. Don't they have trouble getting on active duty?

General HICKEY. When we get squeezed and we cannot bring all the graduates on board, which we did two years ago and last year, then we have to be selective who we bring on board.

Normally, who we bring on board is done by skill and need. A person who has gone through four years of ROTC and has a 2.2 grade point and is a pilot-qualified candidate and we know he is going to UPT, we will bring him on board and put him in the class over a MIT engineer, for instance.

So there is a way to get there and we know that they are valuable. We just don't have a good enough measure to know what the balance should be of those different sources.

Mr. MURTHA. Mr. McDade.

PILOT RETENTION

Mr. MCDADE. Thank you, Mr. Chairman.

In your statement, you talk about pilot retention being a critical problem. Indeed, the numbers raise alarms all over the place.

You attribute it primarily to intense competition, the airline industry pulling your people out, et cetera. I guess your principal weapon to deal with that is the aviation continuation pay, is that correct?

General HICKEY. It is the biggest and the most widely publicized now and probably the most significant, yes.

Mr. McDADE. I want to discuss that with you and then I would appreciate it if you would enlighten us as to the other areas that you think are important.

In fiscal year 1989, Congress authorized and appropriated $36.2 million for the aviation continuation pay and directed the Department of Defense to evaluate all facets of the management of the requirements and inventory, evaluate the capability and desirability of realigning portions of the Air Force flying missions, such as airlift, Air National Guard, and Air Force Reserve.

Are those evaluations completed? Can you update us on the status?

General HICKEY. Yes, sir.

AVIATOR REQUIREMENTS AND INVENTORY

Mr. McDADE. Let's talk about aviator requirements and inventory.

General HICKEY. Within that study that was done within OSD, OSD did a fairly extensive review. They raked us over the coals as well as the other Services in terms of dealing with our requirements.

At the same time, I must also say that within the Air Force, we are reviewing and reexamining our requirements almost continuously, because as we see ourselves entering into deeper deficit modes, we go back as people do with deficits and budgets and review and see how critically we are able to afford some of those requirements that we have on the books.

We are going through such a process now. We had an all-major command review in January to look at what we were doing with those rated positions which we could convert to 19XX or nonrated officers, where nonrated officers could be trained to do those duties in lieu of pilots.

We are reviewing all of the rated supplements which is our career development portion for our pilots, and we are in the process of looking at those that truly are rated requirements and converting those to rated staff positions where it warrants.

We are looking at other places where we have rated presence required, for instance, at the Air Force Academy, where we feel we need some pilots there as role models and as tutors for the cadets going through that academy experience.

There are other places where we feel that we need rated officers in jobs that can clearly be done by nonrated personnel, but we want those pilots who are also officers. In fact, officers are to be developed, and to have a minimum continuity so that we have some leadership development with those people for leadership in the future.

The two things that key on that most are command opportunity where we have an opportunity to give a fighter pilot command of a squadron about a one percent opportunity within the rated force only—we can double that by giving them some limited opportunities within the maintenance and logistics and supply squadrons.

We have a whole Title IV in the joint arena in order for us to give an equal opportunity to promote to general officer by virtue of the populations we have, we need 1,500 to 1,600 rated positions in all of those joint billets, so that they have a rated duty assignment before they get to colonel and compete for general officer, to give them equal opportunity with the nonrated force.

There are only about a thousand pilot positions in that process now. We intend to work 500 or 550 of those to get the 1,560 that we need through the rated supplement process.

I expect that by the time we finish, the total number of rated supplement positions for pilots is going to reduce from 1,800—I sense that will be down to 1,200 by the end of this year.

Today we are at 1,480 people, at least pilots, in the supplement. So it is coming down as we are forced—even though we have justified, I think in fairly good detail, the requirements that were in that 1 December study. A complex issue, but it is working.

We can't afford to have extra billets around. We don't have the pilot inventory and we know that so it is going through a terse intense internal scrub within the Air Force.

Mr. McDADE. What about the question of realigning portions of flying missions, the desirability of doing that?

General HICKEY. Let me talk about that, and I want to key on an issue germane to this, our pilot management process.

Two factors that deal with the pilot shortages, one, we do not have a pilot candidate shortage. We can get as many pilot candidates as we need under the current system—within reasonable bounds.

The last board we had, we had 762 qualified candidates, who met all the physical and medical requirements. We selected 175.

So we can get pilot candidates. We can't keep them at the rate that we want. The restriction that we have then, if we can get all the candidates we want, why don't you billet more pilots and fill up your inventory, we have within the active force a restricted number of active duty cockpits and active duty flying time within which we can bring those new pilot training graduates and season them into the force.

If we bring them in at too high a level, we don't have the cockpits and the flying time to maintain the experience level that you need in the squadron to maintain combat readiness.

Not only that, you are unable then to fill the total requirements that you have for staff and for supplemental pilots and joint duties within the active force, but also you need to remember that that factory of seasoning that we do on active duty is what feeds experienced pilots to Guard and Reserves, not only their units, but also their overhead.

So it has a tremendous impact on the total pilot force. They bring in very few unseasoned pilots within the Guard and Reserves.

I think there are 50 UPTs per year in the Reserve and 135 in the Guard. They rely on us to provide them with a combat-ready pilot.

Anytime that you start looking at transfers of function from that active force to the Reserve or the Guard forces, then you hurt this whole balance in two ways—you reduce your ability to grow them on the active duty force and you increase demand for more of them in the Guard and Reserve force.

Our current balance now is 67 percent to 33 percent and there are a lot of people within my business, including my own Director of Operations, General Dugan, who does not believe that we have sufficient crew force now to replenish that total force commitment with what we have on active duty.

If we don't get a better solution on our pilot retention, I have to admit he is right because we are unable to meet those total requirements for experience.

The other impact in dealing with Guard and Reserve versus active duty has to do with the fact that we have a forward-basing strategy.

We have a number of units in Europe and in Korea in a forward-based mode. We try and maintain about a 1.5 to 1 ratio of active duty units in the continental United States versus those overseas, and if we can maintain that as a minimum, that means that an average pilot in 20 years or the maintenance crews which endure those same kind of tours will spend about eight years overseas and about 12 years in the United States.

No matter what anybody tells you, most of us like living in the United States better than we do other parts of the world.

It is one of the neatest places that I have found to live in.

So it is an important factor in terms of maintaining our retention.

There are other issues that have to do with that.

Guard and Reserve units are superb. We have great combat readiness capability in all of those units and they do great numbers of missions for us, but they lend themselves to specific kinds of missions.

They are very capable in a low-intensity environment where they can maintain the combat readiness of an experienced pilot at a lower sortie rate per month.

We specifically give them usually a single operational capability. Even though they fly an airplane that can go air-to-air or air-to-ground, we will pick a mission and they will be assigned as a primary in that mission. Then within the reduced level of sorties which allows them to provide cost savings, they can maintain combat readiness.

We concentrate in the active force with a higher intensity of combat sortie flying.

That allows us to take an active duty squadron and put it into an unknown theater, where we don't know whether it is going to be air-to-air or air-to-ground, we will lean towards that and have that added capability on the active force side.

Whenever you get into high-intensity activities like a lot of alert or long and frequent TDYs or multiple mission, you have to fly in the Guard and Reserves at almost the same rate that you do on the active side, and you quickly start losing any cost advantage, and that is really what we are looking for, I think, are cost advantages in the process.

MISSION TRANSFERS TO THE RESERVE OR GUARD

Mr. McDade. Take something like Military Air Command. A lot of people say you could move that function for a variety of reasons, including commonality with commercial-type airplanes, into the Reserve or Guard.

General Hickey. We certainly could and they are certainly capable of doing that mission. They do it now in the Reserve associate crews, particularly close to 50-50 of what we do.

Mr. McDade. Should we do more of it?

General Hickey. We looked at that in the Defense Resources Board, in last year's summary review. It was run by the PA&E folks in OSD and we looked at specifically giving the C-5 fleet to the Reserves.

As I recall the numbers, as we went through that and it got a very healthy scrub—it costs somewhere between $25 million and $30 million in one-time cost, nonrecurring costs to bed down those extra units that you would transfer into the Guard. Then as they went through it and looked at the activity levels, they found that they could probably save somewhere between $7 million to $11 million per year by doing that kind of a transfer.

But there was another aspect that entered in, that the active duty forces and the flying they do to maintain their flying proficiency provides opportune airlift.

About 60 percent of the airlift that is done in MAC by those crews is done through the opportunity that they are doing training and they can provide transportation at the same time while they are getting their flying hours and meeting their flying training requirements.

The Reserve, since it flies at a lower rate if we transferred it, would probably be only able to provide 30 percent of that airlift.

So if you wanted to in peacetime to take care of that, you would have two options.

You can either pump the Reserve sorties up so that they compensate and provide that kind of airlift, then the cost savings start to disappear or you would buy more commercial airlift, which we buy at some levels now, but it would go up to compensate for that.

The commercial airlift would take away seven-eighths of that, $7 million to $11 million savings, so the bottom line is you may never recover—if that was all optimal, the nonrecurring costs and we dropped it as an issue and as a transfer item at that time.

That is probably as good a description as I could give you of the airlift business.

FLY-ONLY CAREER PATH

Mr. McDade. It is understandable as you walk through it.

Let me ask about the fly-only option. A lot of people are saying the way to deal with this problem is to get into the fly-only option. A lot of pilots say that pilot management is the number one reason they get out.

How does that look to you?

General Hickey. We have looked at it and if we could make it work and thought it had more viability, I think we would try to do that.

We surprisingly have a fly-only career now that about ten percent of our pilots enjoy. That is not very well known. We don't advertise it perhaps enough, but through 20 years, about ten percent of our pilots have done nothing except fly or be in flying staffs at wing level or below.

The one thing that you have to be careful with, because certainly the young pilots and particularly those of six or eight years of experience want to fly only, but when they say they want to fly only and you talk to an F-16 pilot, he wants to fly the F-16 on the line. He wants to be in a line fighter squadron all of his life. That is his idea of fly only.

If we say we can fly you and do nothing but let your fly in our career, but you need to go to Air Training Command and become an IP for four years, he doesn't want to do that.

Mr. McDade. He doesn't want to fly a C-5?

General Hickey. No, or a FAC aircraft or a 0-2 for four years. He doesn't even want to be an instructor in a tactical fighter training squadron in the F-16. He just wants to fly the line.

So that kind of thing we can't handle. We have looked at what would happen if we doubled the numbers. I said now about ten percent of our pilots enjoy fly only.

Mr. McDade. What is the reason for that ten percent?

General Hickey. That is unmanaged. We didn't know that we had that number or anything about it until the question of why don't you do a fly-only career came up.

As we screened what had been happening to our pilots, we found that a solid ten percent of them have been fly-only all their career.

Mr. McDade. Not 16 years in the F-16?

General Hickey. No. They have to pull good and bad flying tours, but they have not been in the supplement, they have not been in a numbered Air Force staff or any non-flying staff job of any kind.

So it is there.

We would not try and sign a contract. The Navy—I am sure you have talked to Admiral Boorda—tried a fly-only career for a small stream.

I am not greatly familiar with what or how or why they did it, but I know that it didn't work out very well for them. We would not propose to formalize even the ten percent we do now.

We would like to say it is available to you. We are trying to tell young pilots, "You don't have to make that decision yet."

We intend and we will try our best to make sure that pilots stay in the cockpit and in primary flying duties at least through their first ten years of duty and about the time they make major in their eleventh or twelfth year is the time when they need to start making a decision on whether they are going to stay fly-only or whether they are going to branch out and become a senior officer in the Air Force.

The perception of fly-only changes. The very young folks want to fly only. We want them to love flying above all else.

As they get older and get tired of pulling alert and TDY, they may take a little more scheduled job, and they are starting to look at their future career and there is a distinct shift in their desire to fly only.

I think the DOD survey numbers show that there was about a seven percent or something like that, ten percent factor of people who were fly-only interested, but it was fourth or fifth on the list.

We have looked at it. What we are trying to tell them, particularly young people, is "Don't worry about whether you are going to fly only or not at this time. You may change your mind in four or five years anyway and you don't have to make that decision now. We are going to keep you in the cockpit one way or another."

PILOT ASSIGNMENT SYSTEM

Mr. **McDade**. When we started this conversation, I said loss of pilots was your biggest problem and you said there were other methods besides the continuation pay, other factors that you felt were important.

I don't want to forget that discussion. I want you to have an opportunity to talk about the other ones.

General **Hickey**. We will start with what the pilots don't like. They don't like the assignment system. So we have attempted to fix that. They don't think they have enough influence over where they go and what they do.

So we have tried to help that, and by including within that process involvement of the squadron commander. He knows what their capabilities are.

I think they have more confidence in him as a career counselor than they do one of my manning officers at the Military Personnel Center.

It is more than a hand massage, but those assignments are made much more carefully now and there is a lot more input into making the right judgment where they go.

To assure ourselves that we aren't abusing the pilots, we have instituted an assignment hotline, and if any officer feels that he is getting a raw deal from an action officer, that complaint goes directly into the Chief of the Military Personnel Center, and we deal with it then and that individual is guaranteed an answer back and confidentiality if he wants it. But we have fixed that.

Mr. **McDade**. Were you getting a lot of complaints?

General **Hickey**. No, sir.

So far, I haven't paid for the phone, but it is there. We get complaints and they have valid complaints because we end up sending them to places they don't want to go.

The problem is when you go through all the work of trying to satisfy individual requirements, the bottom line is we have a lot of lousy places in the world where we have missions, and where people don't want to be, but we have to do that and we have to put people there to get those missions done.

The bottom line is when all else is done, we are going to fill that mission requirement with the most eligible pilot and we will try to do that equitably across the board.

A young captain being sent to a place in Turkey is sure that someplace in this Air Force there is somebody who wanted to go there and we are too lazy to find them.

I have to tell him we have places to go where nobody wants to go. That will be a chronic complaint.

We are trying to do that in the best way we can and to reduce the irritation.

Having an assignment itself is bad and assignment stability on base has been an issue. We have increased our stability in the fighter force from about one year and nine months in the 1980 to 1981 time frame when I was familiar with the Tactical Air Command to 3.1 years. That is a significant increase in stability and they are much better off than we were in the 1979, 1980, 1981 time frame.

For those new people who grew up in a three-year environment, that is not good enough.

For those who went through two years, three is pretty nice and it is an improvement.

We run into problems as long as we have overseas rotations even at a 1.5 to 1 balance of CONUS overseas holding them steady for very much longer than that three year period, but we are able to and are committed to staying around 2.9 to 3.1 for those.

We have like kinds of stability as co-pilots and pilots for the multi-crew airplanes, too. We watch and manage it. They don't like to move because their spouses have jobs and when they move, they lose those.

We can't stop all of the moves. What we are attempting to bring on-line is a spousal employment service that is within each of our family support centers so we have a way of helping them get relocated and get a new job. That is about the best we can do now.

They don't like extra duties. In the 1978 to 1980 time frame, extra duties were being the voting officer and CINCSNACK and things around the squadron.

We got rid of as much of that ancillary junk as we could.

Those kinds of things are like mushrooms. They keep growing back.

We have most of those down pretty well. Now, though, their complaint and their extra duty is will I have to do Squadron Office School by correspondence or Professional Military Education by correspondence. They can do that by correspondence and they feel, I will say at least two years ago they felt a great deal of pressure to do that by correspondence in order to be competitive to get promoted to major.

The same thing has to do with an advanced academic degree. There has been a lot of pressure to get a masters degree. We have developed an officer professional development program and one of the things that that does is reduce the pressure for young people who are in cockpits, particularly in the early part of their career when we really want them to concentrate on being a professional in their chosen primary skill.

We have deferred those professional military education requirements and we are trying to discourage them from working on advanced academic degrees and relieving the pressure.

An advanced degree is not a requirement to become a major in the United States Air Force. Now you can wait until you are in field grade. There is not that institutional pressure that there was on a young captain or lieutenant to get those things out of the way early in his career to be competitive.

Mr. **McDade**. There is an enormous number of advanced degrees, aren't there? What is the percentage?

General **Hickey**. I may have to answer that for the record, Mr. McDade.

In field grade, 65 to 70 percent have masters degrees or higher.

Mr. **McDade**. And——

General **Hickey**. I think it is around 30 percent in lieutenant through captain grades. It is a competitive business.

[The information follows:]

Overall, 39,263 of 88,081 officers have advanced degree, for a percentage of 44.6. For field grade officers, 25,467 of 30,946 have achieved this level and the percentage is 82.3.

Company grade officers with a graduate degree total 13,796 of 57,135 for a percentage of 24.1.

PILOT RETENTION

Mr. **McDade**. Indeed.

General **Hickey**. That is true. The other thing we are doing on getting rid of extra duties has to do with this 19XX, the nonrated operations folks.

We have historically used pilots in command posts to run the command posts, to handle emergencies. That has not been a desirable job and they treat that kind of work like an extra duty.

We have converted 1,200 pilot requirements to the 19XX business and we don't have them all finished yet, but we know where they are, and as we get 19XX demonstrated operators trained—it takes about 12 weeks to train them and we do that at Keesler Air Force Base—we are going to move pilots out of those jobs. This helps because there is not a pilot alive who likes to work in a command post or do shift work.

All those things are happening and there are others. We had a retention conference on pilots almost two years ago, and we came out with 33 initiatives and all of these things I have been talking about are results of that conference. Unfortunately, I think we get caught—we come to Congress and ask for Aviation Career Incentive Pay increases and bonuses because we need your help to get those.

We are doing some things internally where we don't necessarily need a lot of help or resources, and we are working the devil out of all the other aspects that we can think of. If anything, we survey our pilots to death trying to figure out what else we can do to keep their morale and their retention up.

Mr. **McDade**. Thank you for some excellent testimony, General. Thank you, Mr. Chairman.

MORALE, WELFARE, AND RECREATION (MWR) PROGRAMS

Mr. **Murtha**. Mr. Miller.

Mr. **Miller**. Thank you, Mr. Chairman.

General, you talk of morale and its importance, but there is one area in your statement that I am not real sure what you are talking about. You say that congressional action threatens closure of morale, welfare and recreation activities and mandates force reduction which seriously compromises our ability to provide stability and send positive signals to our people.

We talk a lot, but would you explain to us just what those recreational facilities or whatever else may be involved; would you explain to us just what they are and how they would be hurt by a reduced budget?

General HICKEY. Yes, sir. When we talk about morale, welfare and recreation, we are talking about a very broad spectrum from gymnasiums and unit athletics and sports, swimming pools and those kinds of things, to child care centers, to bowling alleys to golf courses to officer and enlisted clubs. All of those things are wrapped in MWR.

We have over the last two to three years finally built an acceptable authorization plan for the services that all of the services, DOD and the Congress, at least within the authorizations committees, seems to have agreed on.

What it does is lists each of those MWR activities into three columns: One, which is essentially mission essential and has almost 100 percent appropriated fund support; another that are community related, child care centers, which would receive substantial support; and then there is category D.

Those are the revenue generators in which we are required to make them self-sustaining and self-paying. Those have to do with golf courses, bowling alleys and the clubs.

We have some significant threats in our ability to make those self-sustaining, and consequently, because of the fairly rapid shift that we are going from appropriated support to no appropriated support and self-sustainment, we are having serious problems, and I think probably the clubs are most threatened.

Mr. MILLER. The self-sustaining activities should be able to continue as they are now, if there are no appropriated funds involved in those self-sustaining——

General HICKEY. There have historically been. We are moving them out. We still have appropriated fund authority in open messes until October 1, 1990, and have until October 1, 1992 to retrain military personnel if they are within four years of retirement or completion of an active duty service commitment.

I am not exact on when the final cut-off day is. We are now trying to adjust. In fact, we have historically put a lot of nonappropriated fund support into some of those other activities under categories A and B that are now more readily authorized to spend appropriated funds.

We are trying to do a migration of the appropriated support from D, where it doesn't belong, over to A and B, where it is authorized. In that process we think that we will end up with an MWR system which is understandable to Congress and controllable by Congress, but still provides the things that our people need and that we think that they deserve out there.

Mr. MILLER. When it comes to the bowling alleys, for example, the capital investment has been made, so it is operational expenses that you are talking about?

General HICKEY. Yes, sir. By the way, most of those bowling alleys were built with nonappropriated funds rather than appropriated, and they are government property now, because they revert to government rolls once they are installed on a base.

But we have to work depreciation and program replacement for them. That may be in part of your operation. It is an operational running process. We have to realize a return and a way to recover the capital investment that we have in it.

BASE CLOSURES

Mr. MILLER. In another area, we have the proposal to close bases, and I am not sure how all this is going to work out, but I would think that you people have taken a look at it. It seems to me if we have a number of bases that would be closed, that a certain amount of pilots would need to be moved to other bases maybe close by.

General HICKEY. That is true.

Mr. MILLER. And maintenance people moved to other bases perhaps close by, but it appears there would also be a number of personnel that would not be needed.

Do you feel that this would reduce the number of personnel needed if we do not have the base there?

General HICKEY. Yes, sir. I have seen some of the results of that committee and we have tried to price that out so we know what the impact will be on the Air Force if those bases are closed. Most of the pilots, the mission area things that are being moved or consolidated, the primary mission, structures, students and those, will almost one for one change locations, but there would be no strength change.

Where you gain strength economies is in the base operating support and the overhead. You would be able to shut down completely one base structure. You will have a marginal piece of that that has to go to support and augment the base structure at the new base, but it is much less than the total base structure that you had there.

I think we have priced out in terms of manpower what we will have available if those closures are made.

I saw some discussion from one of the hearings over here that said if those people don't all disappear, then you haven't made any savings.

We have not made a savings perhaps in direct dollar resources, but it would also be worthwhile, I think, to take some of those savings from that particular place and apply them to some of the unfunded requirements that we have, and we would probably do that in some cases. But we will have a more efficient force, we will be able to do more things with less resources if those closures unfold the way they are apparently doing.

Mr. MILLER. If they were all closed at one time, would we have less personnel the following year?

General HICKEY. Everything else being equal, absolutely. We know that we will operate with fewer personnel after we get done with that series of moves. It will be a complete turn in, a reduction in end strength or doing some other kind of mission.

Mr. MILLER. Do you have an estimation as to what the personnel reduction would be if all of the bases that are now planned to be closed would be closed?

General HICKEY. Yes, sir. I don't have that number with me today, but I can answer that for the record.

Mr. MILLER. I would appreciate that.

[The information follows:]

The Air Force has not yet completed its evaluation of personnel actions associated with base closures. The Air Force is working to finalize base closure and realignment plans which address Military Construction, manpower transfers and implementation schedules. Upon Congressional approval, we will take appropriate actions to implement these plans to include FYDP programmatic actions.

Mr. MILLER. Thank you, Mr. Chairman.

OPEN MESSES

Mr. MURTHA. How many open messes do you have that you figure are in trouble?

General HICKEY. About 30 percent of them are in trouble right now.

Mr. MURTHA. These are obviously at small bases that are out in remote areas?

General HICKEY. Generally that is true. That is not exclusively true, though, because we are trying to change our method of operation in those clubs and we have some clubs that are poorly managed, and we have work to do in terms of training people into a new environment where they in fact run those on a businesslike basis.

I guess we are a little lazy. I know when I had a club on the base, I wanted it to make a dollar a month because I wanted the most for my constituency for the least cost. All I wanted to do as a club manager was be in the black by a dollar a month. I know my folks are getting the most and the dollar a month would keep the rest of the world off my back for having a losing club.

That wasn't good business, and that isn't the way that you should run a club if you are going to maintain it in a healthy state. You need to make a little profit and advertise and you need to make investments in advertising and you need to have a good program and a good product, and people will come to it.

I have never been, and I am convinced there is not a club in the United States Air Force that can't be made to be successful if there is decent management within the club and command sponsorship, and I don't mean arm-twisting sponsorship, I mean an insistence that the club be well run and then people will go to it.

I think it is unfortunate that the clubs have been scrubbed out at zero support. I think there are strong arguments that clubs offer a value to the Air Force and that they ought to have some level of support. I think they serve as a good on-site fielding facility, and they save us money because people can go there at lunch time on base and save half an hour to an hour of transit and travel time to running off base someplace and going downtown for lunch.

There are some of those things that we would like to still continue to bargain and come back and talk to the Congress about.

Mr. MURTHA. Are there other questions? We will have some questions for the record. Thank you very much, General Hickey.

The committee will adjourn until 10:00 a.m. Tuesday.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

PAY RAISE

Question. Normally when Congress provides a pay raise to the military, they apply it across the board for basic pay, basic allowance for subsistence and basic allowance for quarters. For FY 1989, the Congress made a special adjustment for housing and provided a 7% raise for housing allowance and 4.1% for basic pay and subsistence allowance. How was this combination pay raise accepted by the service members? In your opinion, is this an effective way to provide pay raises in the future?

Answer. Air Force members are appreciative of the FY 1989 pay raise. However, this is also the first year since Fiscal Year 1982, in which the military pay raise has been allowed to match private sector wage growth. The FY 1989 pay raise allowed a modest advance toward pay comparability, with the military-private sector wage gap narrowing from 11% to 10.1%. However, because of the allocation of a portion of the pay raise to BAQ, not all personnel received the overall 4.3% average increase. Members living in government quarters and those living overseas whose overseas housing allowance (OHA) is offset by the increase in BAQ received less. Given the gap between private sector wage growth and military pay increases, our preference was for an across-the-board raise. That situation is even more true this year considering that our requested 3.6% military pay raise is also less than the anticipated 3.7% growth in the Consumer Price Index. Under these circumstances, the pay gap will grow to 10.8%, losing much of the ground we gained this year. Anything less than this minimum essential pay raise will widen the pay gap and generate dissatisfaction with our members who believe they earn and deserve a pay comparable with their private sector counterparts.

Reallocation of basic pay to BAQ has undesirable side effects. First, while it enhances the compensation of those who live off-base, it reduces the pay raises of those who live in Government housing. This is unacceptable in view of the pressure inflation exerts on basic pay. Secondly, reallocation would also reduce retired pay, a feature of special concern in light of current proposals to make CPI-1 a permanent feature of all Federal retiree COLAs.

The Air Force supports increases to BAQ to decrease the housing out-of-pocket costs. However, given the current economic environment, it should not result in pay raises which allow the pay comparability gap to continue to grow for those not receiving BAQ.

HOUSING ALLOWANCES

Question. The Congress provided a 7% pay raise in basic allowance for quarters and a total DOD funding level of $1.220 billion for Variable Housing Allowance. The reason for the increased funding was to reduce the service member's out-of-pocket expenses for housing which were averaging 25–28% of total housing costs in FY 1988.

For FY 1989, Congress appropriated $78 million more than the DOD request for VHA. What portion of this $78 million was allocated to the Air Force?

Answer. The FY 1989 President's Budget request of $1.148 billion for VHA was increased by the Congress by $72 million for a total FY

1989 budget ceiling of $1.220 billion. To correct the record, members' out-of-pocket cost in FY 1988 was 22.5% of the national median housing cost.

Air Force VHA recipients benefitted to the same degree as all DOD recipients since the additional $72 million allowed the VHA rates to be set higher than they would have been without the additional funding. However, since the Air Force accurately budgeted its FY 1989 VHA requirements, it did not receive a portion of the $72 million.

Question. What is the average percentage of service members' out-of-pocket expenses for housing?

Answer. Members pay approximately 21.5% of the national median housing cost out-of-pocket to cover their housing expenses. This marked a reduction from the previous year's out-of-pocket cost but it is still a far cry from the 15% goal the Congress established when it restructured the VHA program in FY 1985. While the Air Force appreciates the additional VHA funding for FY 1989, artificial constraints on the VHA program diminish the effectiveness of the program especially when members' out-of-pocket costs are allowed to grow so exhorbitantly.

Question. DOD has requested a 3.6% increase in VHA for FY 1990. Will this further reduce the out-of-pocket share?

Answer. The DOD request for a 3.6% increase in VHA for FY 1990 complies with the statutory requirement that VHA funding requests will be based on the annual growth in housing costs as measured by the housing indicator of the Consumer Price Index (CPI). The 3.6% request fulfills the statutory requirement. The law does not provide for submitting a request that would make up for the years in which the inflation adjustment was denied as was the case in FY 1987 and FY 1988. As such, the FY 1990 VHA request insures we keep pace with the current year housing inflation but it does not recover lost ground for the years in which VHA rates and funding were frozen despite housing cost growth reported by the CPI. Accordingly, if the VHA funding request is granted and if BAQ Increases in accordance with the FY 1990 military pay raise request of 3.6%, members' out-of-pocket cost will not diminish significantly from its current level of 21.5%.

To reduce out-of-pocket to the 15% goal, certain actions must occur within the VHA program alone: (1) special legislative authority allowing DoD to submit to VHA budget request that would comply with the statutory requirement plus a "catch-up" amount for FY 1987 and FY 1988; (2) a VHA appropriation without the constraint of an outlay ceiling. These actions alone could reduce the out-of-pocket cost to approximately 19.0% of the national median housing cost. To lower out-of-pocket costs even further would require additional dollars in Basic Allowance for Quarters (BAQ). However, due to the potential loss of pay comparability and purchasing power of military basic pay in FY 1990, the Air Force does not support reallocating a percentage of the military pay raise to BAQ in FY 1990/91.

AVIATOR CONTINUATION PAY

Question. This subcommittee directed the DoD to determine the feasibility of integrating the incentive pays (flight pay and bonus) into one package, and elimination of other incentives that cause aviators to leave the service. DoD in its December 1988 report to the Congress on aviator retention did not submit a proposal to integrate the bonus and flight pay. Do you know why?

Answer. The DoD study did not include a request to change the payment tables associated with Aviation Career Incentive Pay (ACIP) for cost reasons. While the Department fully understood the basis of ACIP as the foundation for a career incentive, they concluded that an ACIP increase was not currently cost effective or affordable given the Service specific nature of the aviator retention problem. Maintaining the status quo on ACIP would allow the limited resources to be more efficiently applied by a bonus plan.

The Air Force agrees that continued bonus authority is needed to help curb declining retention during periods of extraordinary shortages, but that a more permanent, comprehensive long-term solution is required. We believe this solution includes both an increase in ACIP as well as an extension of the current Aviator Continuation Pay bonus authority.

Question. The Air Force and the Navy implemented the Aviation Continuation Pay (ACP). Can you briefly explain those differences?

Answer. The Air Force, unlike the Navy which has offered an aviator bonus since Fiscal Year 1981, had no experience with an aviator bonus and this led to different implementation plans. The Air Force attempted to develop a bonus implementation plan that provided the greatest retention gain for the bonus amounts paid. At the same time, an effort was made not to create a "wedge" within the force, morale problems and/or alternative retention problems in specialties not offered the bonus.

The Air Force had a much larger population of ACP eligibles (6 year groups of pilots) than the Navy who had been under a bonus program since fiscal year 1981. Therefore, ACP was implemented to maximize the bonus amount offered to the large number of potential bonus takers while staying within the restrictive budget allocation. This precluded the option of offering up-front lump sums to eligible pilots. The Navy had a much smaller population, mainly "initial eligibles" which allowed them to continue to offer up-front lump sums.

Another difference between the Air Force and Navy ACP implementation is the amount of bonus offered to aviators. The Air Force pays eligible pilots in all Major Weapon Systems (except helicopters) equal annual bonus amounts based on years of service (YOS) at the time the contract is signed. The maximum $12 thousand a year is paid to pilots with 8 YOS who have to make the longest commitment (through 14 YOS) and is graduated down to $6.5 thousand a year for those with 13 YOS. The Navy pays varying bonus amounts ($12 thousand year to $2 thousand a year) based on, "community" (weapon system), length of contract commitment and aviation speciality (NFO or pilot).

Question. What is the rationale for increasing the bonus especially after only a year of implementation of the ACP?

Answer. The primary rationale for increasing the bonus authority is to ensure future flexibility within the Services. The total effects of the Fiscal Year 1989 ACP are unknown and the enhanced authority may be required to obtain the short-term retention needed by the Air Force. The bonus authority is an important ingredient to the long-term solution to provide sufficient flexibility in authorized bonus amounts and eligibility criteria.

Question. Does your budget reflect the increased costs?

Answer. The Fiscal Year 1990/1991 President's Budget is fully funded and is based on paying full ACP anniversary payments and new starts computed at $12 thousand a year. The Fiscal Year 1989 ACP appropriation only provided nine months authority computed at 75% of the normal annual bonus amount and allowed no lump-sum option. In addition, estimates include funding to offer some up-front lump sum options depending on the actual Fiscal Year 1989 ACP take rate (which will determine anniversary payments) and future take rate predictions.

RECRUITING AND ADVERTISING

Question. The FY 1990 budget request for recruiting and advertising for the Active component is $162.509 million. This is the smallest among the Services. The Air Force brings in less than 1% Category IVs and continues to meet its accession goals.

General Hickey, why is the Air Force so successful in their recruiting efforts?

Answer. There are several key reasons contributing to the success of Air Force recruiting. The image and prestige of the Air Force way of life ranks at the top of the list. The Air Force enjoys widespread recognition as the professional, people-oriented service. Advertising and promotional efforts reinforce this vital notion. Recruit surveys also indicate that both training and educational benefits attract a large percentage of new applicants. The Air Force is recognized as the "hi-tech" service and many recruits see our branch as a legitimate means to obtain valuable "hi-tech" training. Closely related to training, recruit surveys also indicate that the certified and transferable college credit granted through the Community College of the Air Force for most Air Force training is a major attraction. For other recruits, the Air Force offers a perceived stable life style that also adds to our recruiting success. The Air Force cadre of recruiters is no small part of the recruiting-success equation. Hand-picked volunteers, rigorously trained and screened, and led and managed by a cadre of experienced professionals, the Air Force recruiter is recognized as the most effective in the DoD recruitment community. Finally, the low accession levels contributed to the Air Force's overall recruiting success rates. These low levels may have obscured potential recruiting difficulties created by reduced budgets, the shrinking youth population size, the strong economy, and a general reduction of overall military awareness.

Question. Your budget request for advertising is $15 million. What type of advertising can you do with $15 million?

Answer. Since 1985, the Air Force advertising budget has been reduced $2.0 million, while industry inflation would require $24 million to buy the same amount of advertising purchased in 1985. In spite of the reduced funding, the Air Force supports enlisted, officer training school, and medical programs as well as Air Force Academy and Air Force ROTC advertising. Of the $15 million requested, $12 million would go to the advertising agency and $3 million to support other production costs. The advertising agency will provide advertising in periodicals (28% of budget), radio (15% of budget), direct mail (8% of budget), public service commercial production and collateral materials which include brochures, fact folders, and other related recruiter support items.

This level of advertising expenditure would have adversely impacted recruiting success were it not for three factors: the first is increased efficiency of recruitment advertising administration. Two years ago, Recruiting Service consolidated local squadron advertising under one agency, resulting in twice the number of ads at the same cost as the previous year. Last year numerous local direct mail contracts were consolidated with the same goal in mind. Similar inroads have been made in the television market. Since the Air Force does not buy television time, it produces top quality public service announcements and aggressively markets them to the networks, independent stations, and cable operators. The result was $5 million worth of public service advertising in FY 1988. The budget has been stretched as far as possible. The second factor is $2.1 million in additional funding provided from the joint recruitment advertising program for FY 1989. The third factor is significantly reduced accession levels.

A word of caution. With future increases in accessions levels and tougher recruiting markets, future recruiting successes are in question. Since advertising is the extension of the recruiter in the market place, we must have sufficient advertising funds to meet future challenges.

MORALE, WELFARE AND RECREATION (MWR) APPROPRIATED FUNDS

Question. Last year, the Congress placed a ceiling on appropriated funds for the morale, welfare, and recreation activities at $1.163 billion. However, this amount is higher than the FY 1989 budget request. DOD is requesting this ceiling be lifted for FY 1990. From the Air Force's perspective, why are the Services requesting the lifting of the ceiling? What is your FY 1990 budget request for MWR programs?

Answer. While the Services are working to reduce taxpayer funding of revenue generating activities, the ceiling limits our ability to fully comply with Congressional direction. Congress directed the elimination of direct appropriated fund support to MWR revenue generating activities and a reduction of subsidy to those activities authorized appropriated fund support. The ceiling was intended to encourage the Services to reallocate funding in accordance with this philosophy. A DOD policy implementing this guidance has been approved. The policy recognizes the government's responsibility to fund activities such as gymnasiums, libraries, and recreation centers that support the organizational and institutional goals of the Services. It also recognizes that certain activities, such as golf courses and bowling centers, primarily benefit the individual and will be supported through self-generated monies and operated as business activities. As a result, the Services face a significant shortfall in appropriated fund support for MWR activities such as gymnasiums, libraries, and recreation centers beginning in FY 1989. This shortfall is the difference between the appropriated funding ceiling and the amount required to comply with Congressional direction of funding these activities. The bulk of the shortfall, in the Air Force, is for appropriated fund staffing in activities that previously had substantial nonappropriated staffing. We believe the approved DOD policy adequately addresses prior Congressional concerns over the proper uses of appropriated and nonappropriated funds in these activities. We feel with that policy in place, future levels of support should be driven by mission requirements and environmental conditions. Accordingly, that is why the Services request support for the removal of the ceiling. The level of MWR funding in the FY 1990 budget exhibit for MWR programs is $368.8 million (excludes construction) and reflects only the Congressionally approved FY 1989 funding ceiling plus growth for inflation.

Question. Do you anticipate spending more than this requested amount for MWR in FY 1990?

Answer. No. We do not plan to spend more than the requested amount in FY 1990 if the Congressional ceiling on MWR is extended. However, if the ceiling is removed an additional $98 million in appropriated fund suport for MWR activities such as gymnasiums, libraries, and recreation centers could be used to bring them in compliance with current Congressional funding guidance.

MORALE, WELFARE AND RECREATION (MWR) PROGRAMS

Question. In the FY 1989 Authorization Act, Congress directed that MWR activities be recategorized: Category A activities can be fully funded with appropriated funds; Category B, up to 70 percent appropriated funds and the remainder with nonappropriated funds and Category D, no direct appropriated fund support (by October 1, 1990). Child care/developmental centers are in Category B. What is your budget child care services? What proportion of appropriated fund versus nonappropriated fund does the Air Force use for their child care programs (excluding construction). In your view, is this sufficient? Is the Air Force able to accommodate the child care needs of single parents especially those who go on short deployments or those who must work on shifts?

Answer. As a matter of clarification, it should be noted that the DOD 10 August 1987 letter in response to the House and Senate Appropriations Committee (FY 1987 Appropriations Conference Report 99-1005) did not set a specific funding percentage for Category B activities. The Congressional Committees accepted the letter containing the funding policies which states that these activities should receive a substantial amount of appropriated fund support. Accordingly, in the Air Force budget exhibit for MWR, the amount of appropriated funds going into our centers' operations will increase by 38 percent by FY 1990 ($14.8 million) and by an additional 26 percent by FY 1991 ($18.7 million), excluding construction. Over the next three years the child care program will receive about a 75 percent increase in appropriated fund support. In FY 1988, the mixture of appropriated fund to nonappropriated fund expenses was 21 percent in appropriated funds to 79 percent in nonappropriated funds. Our plans for the future call for appropriated fund expenditures to increase as we complete the phase out of the appropriated funds from the revenue generating activities. In FY 1990, the mixture is projected to be 29 percent appropriated fund and 71 percent nonappropriated fund and in FY 1991 34 percent appropriated fund and 66 percent nonappropriated fund. We believe a reasonable balance exists between the responsibility of the government to meet the unique needs of the military members and the responsibility of members to share in the cost of meeting those needs. In this context, the Air Force is in the process of reviewing the appropriated fund requirements in this area to fund assistant child care directors, family day care coordinators and administrative desk clerks. Funding for these positions will have to be balanced against shortages in other MWR mission support (Category A) activities. Air Force regulations require active duty parents to make alternatives for the custodial care of their children to cover contingencies such as deployments. During short term exercises, the base commander may extend the hours of the Child Development Center for temporary care. Other suitable alternatives such as the on base Family Day Care Program are also available.

ACTIVE VERSUS RESERVE UNITS

Question. Former Navy Secretary Lehman in a news article stated that the United States needs to change the balance between active and reserve forces. He stated that while 37 fighter wings is about right, the ratio should be half active and half reserve instead of two-thirds active and one-third reserve as it is now. General Hickey, do you agree with this assessment?

Answer. No, I believe that the current mix which has evolved after much study and top-level review is appropriate.

Question. In response to a similar question, the CINC Transportation Command cautioned against putting too much in the Reserves too fast. He indicated that what we could end up with is two active duty forces. Do you agree with his assessment?

Answer. Yes. Due to the high worldwide peacetime activity rate in airlift, if additional missions were transferred, a high percentage of full-time reservists would be required to handle the requirement. This in effect would create two active duty forces.

Question. What are your views on the current active/reserve mix of the Air Force?

Answer. Considering today's force structure, the current mix is about right. The Air Force must consider Continental US/Overseas ratio as an integral part of the total force concept. A smaller active force will drive more overseas rotations and from a large number of trained, prior service personnel, the smaller active force will shift training costs to the reserve components.

Question. For the record, provide what additional roles the reserve components can contribute to the Air Force's total force. Also, indicate any offsetting reductions in the active component.

Answer. The most effective missions for the reserve components are those with low peacetime training levels ands high wartime surge requirements. They are already involved in the missions that meet those criteria. The current emphasis is not on transferring missions, but upgrading and modernizing current missions and equipment.

COLA FREEZE FOR RETIREES

Question. The President's Budget recommends a COLA freeze followed by a permanent COLA cap beginning in FY 1991. Previous changes to the retirement system in 1980 and 1986 protected current members and retirees. As I understand, the cap in the budget proposal is not grandfathered. In your opinion what impacts, if any, would this COLA cap have on retention?

Answer. Before I directly address the retention effect of the proposed COLA cap (CPI-1 COLA), it is important to realize the actual financial impacts this proposal would impose. The proposed CPI-1 COLA would affect the earnings of those members presently retired and widows currently drawing annuities from the Survivor Benefit Plan. For active duty members, who were grandfathered by the Military Retirement Reform Act (MRRA) of 1986, the loss of lifetime retirement earnings can be substantial—approximately $67,000 for officers and $33,700 for enlisted members (measured in 1989 dollars). This is an 8 percent reduction in lifestream retired pay. This financial loss cannot help but have a negative impact upon retention. In fact, the financial disincentive for those nearing key retention years is equal to or greater in value than current retention initiatives such as the pilot bonus and selective reenlistment bonuses.

Another primary concern that directly affects retention is the issue of "breach of faith" and the effect it will have on our people. With the passage of the MRRA in 1986, implied promises were given by members of Congress. CPI-1 COLAs were promised to be prospective only, and both active duty members as well as retirees were to be grandfathered from this change to the retirement system. This proposal would break their promise. Such a breach of faith will cause active duty members, regardless of when they first entered the Air Force, to think about or value their retirement entitlement with greater uncertainty. Such uncertainty inevitably leads to a destabilizing of the retirement entitlement, just the opposite of what Congress intended with the passage of the 1986 Act. Our initial analysis suggests the negative effect on retention could be as much as ten times greater than the disincentive due just to the dollar impacts of the permanent COLA minus one percentage point proposal.

[CLERK'S NOTE.—End of questions submitted for the record.]

TUESDAY, MARCH 7, 1989.

MILITARY MANPOWER—U.S. MARINE CORPS

WITNESSES

LIEUTENANT GENERAL JOHN I. HUDSON, DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS, U.S. MARINE CORPS

E.T. COMSTOCK, FISCAL DIRECTOR, U.S. MARINE CORPS

INTRODUCTION

Mr. **MURTHA**. The committee will come to order.

I want to welcome General Hudson and Mr. Comstock to the committee. This is General Hudson's second visit. General, your biography and prepared statement will be placed in the record.

The Army tells us that you do not have a problem in recruiting, that you don't need any more money. Now, this was the Army speaking this morning, and they say everything is in good shape. I'm told that the Marine Corps is in good shape as far as recruiting and retention. I'm glad to hear that. The Army said there is a special group of people that automatically go into the Marine Corps and they could probably do away with the recruiting command. I'm probably exaggerating when I say do away with the recruiting command, but they were very complimentary about your recruiting as a whole.

I read in the paper that there's a recruiting problem in Pittsburgh.

I wish you would discuss that problem with us. But first, please summarize your statement.

SUMMARY STATEMENT OF GENERAL HUDSON

General **HUDSON**. Thank you, Mr. Chairman. This is my second appearance and it is again an honor for me to appear before you to discuss the Marine Corps' manpower readiness, our requirements for fiscal years 1990 and 1991, and our direction for the future.

I have submitted for your review and consideration my posture statement for the fiscal years and respectfully request that it be inserted in the record.

Manpower remains the Marine Corps' single most important resource. As a manpower intensive organization, we continue to believe that the individual Marine is the cornerstone of our success in combat. I have addressed a number of important manpower related issues in my written statement and I would like to mention four of these which are of primary importance. These key issues are end strength, recruiting, compensation and quality of life.

END STRENGTH

Our end strength request for fiscal years 1990 and 1991 remains at the fiscal year 1989 authorization of 197,200. This is 2,900 below our original request for 1989 and has resulted, as you know, in a cadre of three infantry battalions. Our current end strength request achieves a balance between providing enough Marines to get the job done and recognizing the austere fiscal realities. Further reductions to our end strength will jeopardize the Marine Corps' ability to meet its commitments.

RECRUITING

One of our top priorities continues to be the recruiting of high quality individuals to serve in our Corps. This task has never been easy. The very hard work of our recruiters has led to success in drawing quality applicants to both officer and enlisted programs. What concerns me is the difficult recruiting environment we face in the future. The continued decline of recruit-aged youth through the mid-1990s and increasing competition from the civilian sector will provide an even greater challenge to our recruiters. Your continued support is critical to providing the resources which enable our recruiters to remain successful.

PAY RAISE

We presently enjoy the highest quality force in the history of our Corps. At the same time we are facing increased competition from the civilian community to attract and maintain that quality. It is crucial that we keep faith with our young men and women by insuring that they are paid in a manner that they perceive is fair and equitable. To meet our long-term manpower requirements, it is imperative that military pay remains competitive with the private sector. We strongly urge passage of the proposed 3.6 percent pay raise for fiscal year 1990.

QUALITY OF LIFE

My final comments deal with the quality of life. The Marine Corps' high state of manpower readiness can be directly related to its long-standing tradition of caring for its own. For our young married Marines to be ready to go to war at any time, they must be secure in the knowledge that their families will have the support they need and deserve. To provide this support it is essential that quality of life programs receive adequate funding.

SUMMARY

Today's high level of manpower readiness is a result of careful planning, systematic recruiting and efficient force management. This could not have been done without the vital support of Congress. With the uncertain future that lies ahead, we must together insure that the readiness and quality in which we have invested do not erode.

[The biographical sketch and statement of General Hudson follows:]

UNITED STATES MARINE CORPS
DIVISION OF PUBLIC AFFAIRS • HEADQUARTERS MARINE CORPS
WASHINGTON, D.C. 20380 • TELEPHONE (202) 694-4309

LIEUTENANT GENERAL JOHN I. HUDSON, USMC

Lieutenant General John I. Hudson is the Deputy Chief of Staff for Manpower and Reserve Affairs, Headquarters Marine Corps, Washington, D.C.

He was born on October 12, 1932, in Louisville, Kentucky. On June 10, 1954, he completed the Naval Aviation Cadet Program and accepted a commission as a second lieutenant in the Marine Corps. He was designated a Naval Aviator on June 11 of the same year. Initial tours included assignments as Squadron Pilot, Materiel Officer, Flight Instructor, and Photo Reconnaissance Officer.

In May 1962, he was assigned to VMCJ-2 at MCAS Cherry Point, North Carolina where he served as the Aircraft Maintenance Officer. From May 1962 until June 1963 he participated in aerial photo reconnaissance over Cuba and was awarded a Distinguished Flying Cross.

Assigned to an infantry tour, he served as Air Liaison Officer, Assistant Operations Officer, and Commanding Officer, Headquarters and Service Company, 2d Battalion, 3d Marines, 3d Marine Division. In August 1964 his unit served with Task Force 76 in direct support of Vietnam operations. Returning to the United States in December 1964, he served as Aviation Safety Officer of Marine Aircraft Group 33, then Executive Officer and Commanding Officer of VMFA-122 until February 1967 when he was reassigned as the S-4 Officer of MAG-33.

Ordered to Vietnam in November 1967, he served as the Executive Officer, Marine Air Base Squadron 13, and Executive Officer and Commanding Officer of VMFA-115. During his combat tour in Vietnam, General Hudson flew 308 missions in the F-4 "Phantom" aircraft.

Following a fourth assignment with 2d Marine Aircraft Wing at Cherry Point, 17 months in the College Degree Program, and a tour at Headquarters Marine Corps, he graduated from the Air War College, Maxwell Air Force Base, Alabama, in May 1974. After graduation, he served as the Aviation Safety Officer, 1st Marine Aircraft Wing and Executive Officer, MAG-15, 1st Marine Aircraft Wing in Iwakuni, Japan.

Transferred to Yuma, Arizona in August 1975, General Hudson served initially as Executive Officer MCCRTG-10. In July 1976 he was promoted to colonel, assuming duties as the Commanding Officer. In October 1977, he became the Commanding Officer of the Air Station. Promoted to brigadier general on May 12, 1980, he assumed duty as the Assistant Wing Commander, 2d Marine Aircraft Wing. He was assigned additional duty as Commanding General of the 4th Marine Amphibious Brigade on October 2, 1980. General Hudson was assigned duty as Commanding General, Landing Force Training Command, Atlantic/Commanding General, 4th Marine Amphibious Brigade, NAB Little Creek, Norfolk, Virginia on April 30, 1981, serving in these capacities until June 10, 1983. He was assigned duty as Deputy for Education/Director, Education Center, Marine Corps Development and Education Command, Quantico, Virginia, on June 15, 1983; and was advanced to major general on March 2, 1984. He assumed command of the 3d Marine Aircraft Wing, headquartered at MCAS El Toro, California on June 7, 1985. On April 23, 1986, he assumed command of I Marine Amphibious Force, serving in this capacity until August 23, 1986. General Hudson relinquished command of 3d MAW on October 6, 1987 and was assigned to Headquarters Marine Corps as the Deputy Chief of Staff for Manpower on November 1, 1987. He was advanced to his present grade on January 25, 1988 and with the reorganization of the Headquarters became the Deputy Chief of Staff for Manpower and Reserve Affairs on December 1, 1988.

His medals and decorations include the Distinguished Flying Cross; Bronze Star Medal with Combat Distinguishing Device for valor; Air Medal with gold Arabic numeral "1" and strike/flight award numeral "24"; Combat Action Ribbon; Navy Unit Commendation with two bronze stars in lieu of second and third awards; the Meritorious Unit Commendation; Marine Corps Expeditionary Medal; National Defense Service Medal; Armed Forces Expeditionary Service Medal; Vietnam Service Medal; Republic of Vietnam Gallantry Cross with Citation; and the Vietnam Campaign Medal.

Lieutenant General Hudson holds a Bachelor of Science Degree in Management from Murray State University and is married to the former Zetta Yates of Murray, Kentucky. They have four children: Reid Hudson of Tucson, Arizona; Mrs. Lori Hubl of Scottsdale, Arizona; John Hudson of Phoenix, Arizona; and Clark Hudson of Topeka, Kansas.

(Revised Dec. 2, 1988 HQMC)

PREPARED STATEMENT OF
LIEUTENANT GENERAL JOHN I. HUDSON
DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS

Mr. Chairman, distinguished members of the subcommittee:

It is again an honor for me to appear before you to discuss the Marine Corps' manpower readiness, our requirements for fiscal years 1990 and 1991, and our direction for the future.

Since I last appeared before you, your Marine Corps has undergone major changes. Our force structure study, conducted in 1988, is complete and its far reaching recommendations are being implemented Corps wide. These force structure changes provide for more capable response to conflicts in the low to mid intensity range without Reserve mobilization. We are better prepared for meeting the requirements of an expeditionary force. Our training has been significantly enhanced by the Marine Battle Skills Training program. The most training intensive phases of this program will be fully implemented in fiscal year 1989. Our Morale, Welfare and Recreation (MWR) reorganization has been a very positive move toward a more business-like approach to MWR. Through this period of change we have also seen several important constants. Our quality recruiting has continued to provide the necessary input to keep your Corps strong. In addition, retention remains high, giving us the experience and skills necessary for success on the battlefield.

There are some negative aspects to this period of change. They lie in the areas of uncertainty about the future and the perceptions of Marines. I am concerned about the potential future loss of trained aviators as the impacts of increased civilian airline hiring begin to be felt. In addition, there is a growing perception among Marines of an erosion of benefits.

It has taken years and the long term support of Congress to achieve the high levels of manpower readiness we enjoy today. These hard won gains can be quickly reversed without your continued help. We recognize that fiscal uncertainties will affect all of us but believe that with your assistance, we can meet this challenge while maintaining a high quality force.

Our task is to preserve this quality force through a balanced manpower program. The end strength request for fiscal years 1990 and 1991 remain at the fiscal year 1989 authorization of 197,200. I believe our end strength request achieves a critical balance of providing enough people to get the job done while recognizing austere fiscal realities. Further reductions to our end strength will jeopardize the Marine Corps' ability to meet its commitments. I would like to now direct my comments to how the Marine Corps plans to maintain the high levels of readiness required to meet our commitments to the Nation while continuing to provide the quality of life our Marines have earned.

TOTAL FORCE

Marine Corps missions and responsibilities span the entire spectrum of conflict, and we plan and manage our manpower assets accordingly. The role of total force integration is increasingly important in our National strategy. To this end we have merged the management of Manpower and Reserves into one organization which integrates planning and force management. All Marine Corps manpower assets are now managed under single leadership. As a result, planning, programming, and budgeting for the Total Force Marine Corps will be more focused and deliberate. Consolidation of like functions will provide economies of scale and facilitate mobilization planning. More detailed information on Reserves will be presented by my Assistant Deputy Chief of Staff for Reserve Affairs, Major General Looney.

Enlisted Marines

Since fiscal year 1981, the quality of our enlisted force has risen dramatically. As a result of your support, our enlisted Marines are smarter, more mature, and less prone to disciplinary problems than at any time since the inception of the All Volunteer Force. Total force quality indicators are shown in Figure 1.

Quality Review

	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY88
HSDG Accessed (%)	77.6	80.7	85.7	92.1	95.5	96.8	97.7	98.2	95.7*
Mental Group I-IIIA Accessed (%)	59.4	57.8	60.0	63.3	61.9	55.8	66.2	68.7	69.3

Unauthorized Absence: Decreased by 63% since FY80

Desertion: Decreased by 65% since FY80

* Beginning in FY88, education data reflects use of the DoD Tier System. This redefinition of what constitutes a high school graduate caused a drop in the percentage accessed. Under the previous definition, 98.6% would be considered HSG's.

Figure 1

Continued emphasis on recruiting high school graduates is paying dividends. They are much more likely to complete their term of enlistment. Unauthorized absence and desertion rates are significantly lower meaning a larger percentage of our Marines are available for training and deployment.

Clearly, today's Marines are more responsive to training and have a greater ability to learn. Emphasis on recruiting from the upper three mental groups equates directly to less academic attrition in more technically oriented schools. This trend, along with success in increasing the average term of enlistment to 4.5 years means we are keeping higher quality, better trained Marines for longer periods of time. This contributes to stability in the enlisted force and protects our substantial training investment in Marines.

These advantages are significant, but it is also important to certify high quality requirements against actual Military Occupational Specialty (MOS) skill requirements. To this end, the Marine Corps' participation in the Joint-Service Job Performance Measurement (JPM) Project supports your direction to link enlistment standards to on-the-job performance by developing and administering hands-on job performance tests.

Between 1986 and 1987, the Marine Corps tested over 2500 Marines in the infantry (03) occupational field. Analysis of the data began in 1988. One of the first myths shattered by the JPM data is that "anyone can be an infantryman." The results show a surprisingly strong relationship between aptitude and hands-on scores that carry over into second term performance. This has important implications when we talk of growing small unit leaders. The study confirms that high quality individuals are required at all levels to perform the increasingly complex tasks of the infantryman on the modern battlefield. This supports the case for keeping our quality standards high.

To ensure that these high quality Marines are the best fighters in the world, Marine Corps training has expanded its focus on warfighting skills. Marine Battle Skills Training (MBST) is the single most important training program in the Marine Corps today. This program is dedicated to developing basic combat infantry skills for Marines throughout their careers. Conducted in four stages, the program has already been incorporated into recruit training and a 28 day course at the School of Infantry (SOI). The training is demanding, focusing on operating and maintaining crew served weapons, squad tactics and rear area security.

We plan to further improve training and readiness by providing an even flow of Marines through our training pipeline, a policy which we call level loading. Despite the near term costs of level load accession phasing, we are fully committed to this policy for the long-term gains to be realized. Spreading recruit input more evenly throughout the year is essential to provide a manageable flow to MBST/SOI and to provide a basis for efficient planning and utilization of training assets and school seats. We expect fewer Marines awaiting training; a more efficient use of our manpower assets. Additionally, they will graduate more evenly and be available to the Fleet Marine Force in a manner which lessens seasonal swings in readiness and promotes unit stability.

Our goal is to provide the right Marine, in terms of grade and skill, with appropriate levels of experience in order to man the force properly. To accomplish this, we have set a policy and established targets for enlisted promotion tempo through a program of career force controls. This program is being fully implemented in fiscal year 1989. The key focus of this effort is to balance the career force witn the requirement in order to achieve equitable promotions and balanced MOS's. This is accomplished at the first term reenlistment point (4-6 years of service) where we direct Marines in over MOS's to lateral move into short MOS's. In all cases possible, the Marines' skill, training and experience are matched to the new MOS.

In order to staff validated billets at the appropriate grade and experience levels, we have accomplished modest growth in the top five enlisted grades. The percentage of top five grades is now 31.9 percent of the total enlisted strength. These grade levels provide equitable promotion opportunities based on requirements in the force.

We believe our policies have improved both the quality and readiness of the force. However, in order to implement these policies, we need your help in ensuring that we keep the tools needed to shape our force and retain quality Marines.

The Enlistment Bonus Program is used to attract high quality individuals to technical skills that have high training costs. It is also used for hard-to-fill skills in areas which do not normally attract the required quality individuals. Our budget request allows us to support this requirement.

The Selective Reenlistment Bonus Program (SRBP) is the single best management tool in correcting critical skill shortages which exist between inventory and requirements. We have been able to improve substantially our retention of critically short skills, but shortages remain. With the competition for qualified military applicants increasing and the growing cost of training new recruits, it is cost effective to retain Marines with careful application of SRBP.

Officers

Officer leadership has long been a hallmark in the tradition of the Marine Corps. The Marine Corps is a manpower intensive organization with a traditionally low leader-to-led ratio of 1:8.8. This reflects our philosophy on officers and their use. We appreciate the decision of the Congress to repeal the remaining officer reductions for 1989 and 1990. We feel this decision was right and reflects support of our manpower requirements determination process.

As I mentioned earlier, the future of Marine aviator retention is of increasing concern to me. With projections for heavy airline hiring extending into the 1990's and Aviation Career Incentive Pay levels unchanged since 1981, a continued favorable trend in retention is questionable. The extent of this concern has been documented in the recent DoD Aviator Retention Study.

In addition to aviator issues, the Marine Corps is studying two other officer related problems. The first involves time in grade requirements for voluntary retirements. The second deals with field grade officer requirements.

Since the enactment of DOPMA, the Marine Corps has realized higher retention rates when compared with pre-DOPMA rates. The result of this high retention has been a steady climb in the average time to promotion (flow point) and an aging of the officer corps. Despite recent downward adjustments in promotion opportunities, we will continue to exceed the flow point guidelines desired by Congress. Our analysis so far suggests that the voluntary retirement of lieutenant colonels through major generals after 2 years vice 3 years in grade would result in accelerated vacancies in these grades and reduce flow points towards DOPMA guidelines. Time in grade relief may be the most appropriate way to better enable the Marine Corps to meet minimum promotion opportunities and promotion timing guidelines, and ensure a youthful, vigorous, and combat ready officer corps.

Our second problem is the long standing difficulty the Marine Corps has had with DOPMA officer grade ceilings, especially in the grade of major. The current ceilings obstruct our ability to shape and manage our officer corps. The Marine Corps is reviewing its field grade officer requirements through its Officer Force Management Review Panel and may seek to amend its grade tables.

Since passage of the Goldwater-Nichols Act on 1 October 1986, the Marine Corps has been an active participant in the development of Title IV policy and in the implementation of the joint officer provisions of the law. In April 1988, a board of General Officers selected the Marine Corps' initial pool of joint specialty officers (JSO's). Officer records were reviewed to ensure that quality standards required by the law were met. This list has been approved by the Secretary of Defense. A second JSO selection board will be held in the spring/summer of 1989. Joint Professional Military Education has undergone significant changes in the last year as well. The joint track system developed at each of the Service schools will give way to a two phased system. Phase I will be a normal year at a Service college with an increased emphasis on joint matters incorporated in the curriculum. Phase II, designed for those officers who will serve in joint duty assignments (JDA's), will consist of a course at the Armed Forces Staff College in Norfolk. We believe this system will allow us to graduate the number of officers we need to serve as JSO's. The Marine Corps is committed to the effective implementation of Title IV and will assign officers to meet the law's intent. We are doing it.

Women Marines

We continue to work for better opportunities for women in the Marine Corps. During 1988, we opened a number of billets and units for the assignment of women Marines. We are currently implementing these policy changes which will open a potential 1,500 billets to women by making the assignment criteria gender neutral. These include assignments in the corrections field and the headquarters of the Light Anti-aircraft Missile (LAAM) battalions. The Marine Corps currently has women assigned to seven embassy posts with potential assignments to twenty-four more. Women are also assigned to two Marine Barracks as part of Marine Corps Security Forces with six additional locations considered suitable for the assignment of women.

Civilian Manpower

The Marine Corps' civilian employees are an integral part of our total force. They constitute 31 percent of our supporting establishment and are even more important as a result of reduced manning of the supporting establishment. Civilians have, for years provided critical continuity at our bases and stations and our major headquarters. Our request for 21,659 civilians is the minimum necessary to operate our bases and stations and provide adequate support to our Fleet Marine Forces.

MOBILIZATION

We continue to improve our capability to mobilize the Marine Corps' Total Force. The examination of our policies and participation in exercises is ongoing. Even more important is the effort to be sure we incorporate the lessons learned in Marine Corps planning documents and practice in peace what we will do in war. As outlined previously, the integration of active and reserve manpower has affected personnel assigned to develop manpower input in support of mobilization and sustainment planning for the Marine Corps. The management of reserve mobilization and mobilization planning will be combined. This is a major step toward the improvement of our capabilities.

We are refining the process of calculating individual fillers and replacements to support joint planning and will test these systems during PROUD EAGLE 90, the fall 1989 JCS-directed mobilization exercise. We expect to gain experience in the operation of a process that is detailed, timely and successful in its ability to define individual requirements, and ensure the appropriate flow of fillers and replacements to the supported Commanders in Chief (CINCS). We will also examine the sustainment of Marine forces by the Continental United States (CONUS) bases and stations in their efforts to train, organize, and transport personnel.

Effectiveness as a fighting force depends on more than just the readiness of our Corps. Marines rely on the medical support provided by the Navy for health care of combat forces both in-theater and in CONUS. Efforts to improve the Navy's capability to provide properly trained medical personnel and deployable medical support systems upon the outbreak of hostilities continue.

My staff maintains constant coordination with the Chief of Naval Operation's manpower and operations staffs. Our concern is the availability of sufficient medical manpower and skills within the Navy Selected Reserve to meet the dual requirements of deploying during mobilization and back filling CONUS medical treatment facilities, replacing active duty medical personnel who have mobilized.

During PROUD EAGLE 90 we intend to identify medical personnel and support systems requirements and to test the Navy's ability to support these demands. The Navy anticipates an improved capability to support the Marine Corps over levels experienced in past exercises. Shortfalls are envisioned in the out years due to the cap on the Navy Selected Reserve and the requirement to man Navy deployable medical systems required for in-theater CINC support as they reach their initial operating capability.

The shortage of personnel with critical wartime medical skills continues to be a major problem. Recruiting efforts continue to strive toward reducing the gap between the wartime requirement and the inventory. Your support of DoD initiatives to improve medical readiness for mobilization remains crucial.

PERMANENT CHANGE OF STATION (PCS)

An adequate PCS program is essential for maintaining force readiness. We must be able to move Marines to where they are needed. The ability to do this effectively contributes to unit cohesion. About 60 percent of our annual moves support Marines entering or leaving the Service, with the remainder sustaining our worldwide commitments. About 19 percent of our force is deployed overseas. The bulk of our Marines overseas are forward deployed in Japan. We maintain these force levels by using a combination of three methods to exploit the advantages of each.

First, the Unit Deployment Program (UDP) is used to provide operating forces for over 10,000 billets in the Fleet Marine Force up to the battalion/squadron level. Unit deployment advantages include stabilizing Marines in units for extended periods, avoiding the costs associated with frequent dependent restricted moves and avoiding costs of supporting additional Marine dependents. Second, accompanied tours are used to provide for long term continuity in those planning, command, support or maintenance billets where stability is essential for readiness. This allows us to maintain operational continuity while our battalions and squadrons participate in UDP. Third, dependents restricted tours are used to fill requirements where the CONUS rotation base will not support using unit deployment and facilities limitations preclude accompanied tours. Through careful use of these three methods, we have minimized the costs of meeting our overseas commitments while maximizing the readiness of our forward deployed units. We are continuing our efforts to constrain PCS costs through careful planning of PCS moves. Figure 2 shows the progress we have made in reducing the number of PCS moves since 1980. It also shows the impact of increased entitlements and other costs which have caused overall cost of the PCS program to increase despite reductions in the number of moves.

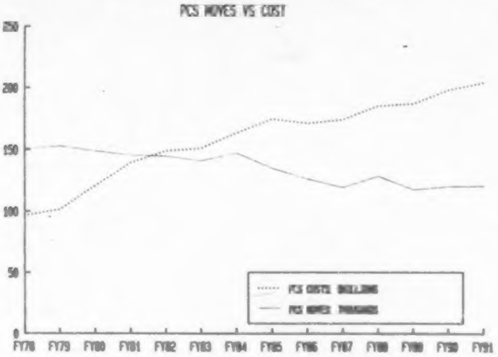


FIGURE 2

QUALITY OF LIFE

I am convinced that manpower readiness and the well-being of Marines are inseparable. The Marine Corps high state of manpower readiness can be directly related to its long standing tradition of caring for its own. For our young married Marines to be ready to go to war at any time, they must be secure in the knowledge that their families will have the support they need and deserve. The term quality of life describes all of those factors that contribute to a positive living and working environment for our Marines and their families. Quality of life programs are an excellent investment for enhancing morale and improving retention. Additionally, they lead to increased personnel and operational readiness.

Family Programs

We provide support to our Marines through a variety of programs at 18 Family Service Centers located on major bases. We continue to improve our ability to provide support in relocation assistance, financial counseling, family counseling, pre and post deployment briefings, and employment assistance.

Family advocacy is one of our major concerns. Service life is stressful. This stress can manifest itself in the form of family violence. We are focusing on fresh, innovative ways to prevent this violence rather than just reacting. General Gray has tasked me to evaluate the responses of our general officers in looking for ways to deal with this problem.

With the number of dependents now exceeding the number of active duty Marines, the demand for child care services has increased significantly. In fiscal year 1989, construction has or will begin on six child development centers and there will be continued expansion of our family day care program. To assure program quality, we will initiate standardized care-giver training and a system for monitoring child care program compliance. A difficulty encountered in providing child care at the lowest possible cost is the ceiling on appropriated fund support to morale, welfare, and recreation activities.

Morale, Welfare and Recreation (MWR)

In response to Congressional concerns, the Marine Corps has reorganized and consolidated its MWR activities to function in a more business-like manner. This consolidation affects all elements of our MWR program including exchanges, services, military clubs, recreation and sports activities. Major Marine Corps installation MWR activities will be reorganized by the end of 1989. The result of this pro-active approach is the placing of all MWR activities under single management for the dual purposes of reducing administrative costs and, more importantly, seeking out innovative business ventures that our patrons will support. We have consolidated exchange, recreational and club accounts into a single nonappropriated fund. In addition, we have consolidated our MWR staff and exchange staff into a single agency responsible for executing their programs. This provides the commander with the management information to make knowledgeable business decisions. The result will be more effective use of limited resources and support of Congressional guidance. Marines are the real benefactors of the program which provides a level of services not possible without consolidation.

Medical Care

Adequate medical and dental care for Marines and their dependents is essential. While we are focused on our requirements for medical support during war, we continue to be concerned about our responsibility to provide the highest quality care to Marines and their families during peacetime. The continued improvements in NAVCARE clinics and use of contract medical personnel have gone a long way towards meeting the peacetime health care demand. However, since appropriations for contract personnel fluctuate from year to year, a sufficient number of active duty medical personnel is the only sure way to provide stable, long term medical support to our Marines. We need your continued support in this area.

COMPENSATION

In order to maintain the high quality force we have worked so hard to build, it is crucial that we keep faith with our service men and women by ensuring that they are paid in a manner they perceive is fair and equitable. While we presently enjoy the highest quality force in our Corps' history, we are facing increasing competition for these same young people from the private sector. This competition will grow more acute as the declining youth population bottoms out in the 1990's. To meet long term manpower requirements, it is imperative that military pay be set and maintained at a level competitive with the private sector. Despite the 1 January 1989 pay raise, military pay still lags behind wage growth in the private sector by 10.1 percent. We strongly urge passage of the proposed FY 1990 pay raise of 3.6 percent.

Another compensation area which remains a concern is the increasing gap between military housing allowances and actual housing costs. The fiscal year 1989 spending cap on VHA resulted in greater out-of-pocket expenses for Marines. To minimize the impact, DoD was forced to reduce VHA rates in some areas to support increases in others. We ask that you fully fund VHA to the levels provided for in the law.

RECRUITING

The hard work of a dedicated recruiting force has resulted in continued success in recruiting some of the finest young men and women in the Marine Corps' history for our officer and enlisted programs. We have more qualified applicants than we can accept in all of our officer programs. The qualifications of our young officers give us greater flexibility in matching the best qualified officer to the right skills.

In fiscal year 1988 we again met or exceeded all of our quantity and quality goals for enlisted programs. Over 95 percent of our total force accessions were high school graduates, and we again achieved 99.8 percent non-prior service males in Mental Groups I-III. We began fiscal year 1989 with 67 percent of our total force non-prior service requirement in the delayed entry pool.

The Marine Corps is committed to maintaining the caliber of force we have today. Our quality goals remain unchanged even in the face of a more difficult market that reflects a decline in recruit-age youth through the mid-1990's and strong competition from the civilian sector. To remain successful we need your continued support in providing our recruiters the resources they require in the difficult times ahead. A reduced commitment could result in degradation of the quality force we have today.

CONCLUSION

Today's high level of manpower readiness is the result of careful planning, systematic recruiting, and efficient force management. This could not have been done without the vital support of Congress. With the uncertain future that lies ahead, we must together ensure that the readiness and quality in which we have invested do not erode.

General **Hudson**. Sir, you have asked that I comment on the situation at Pittsburgh. If you would like, I can do that now.

RECRUITING MALPRACTICES

Mr. **Murtha**. Please proceed.

General **Hudson**. The situation in the Pittsburgh Recruiting Station concerns some recruiter malpractice. The malpractice involved coaching potential recruits not to divulge the extent of their involvement with the law, their involvement with the use of drugs, and their medical conditions, and the manufacture of some high school diplomas. We found some 25 recruiters to be involved in this recruiting malpractice.

An investigation was conducted by the Director of the Fourth Marine Corps District. I was at the Fourth Marine Corps District last week and received a detailed briefing on the results of that investigation. Eleven of those recruiters have been given non-judicial punishment and nine of those 11 were relieved of recruiting duty. Eight recruiters received letters of caution. Four recruiters are pending summary court martials and two recruiters are pending special court martials.

This situation was expensive not just in terms of the recruiters that we are going to have to replace, but we have also obviously lost some recruits. One hundred and forty-five recruits were interviewed at the Parris Island Recruit Depot and 83 recruits disclosed information: 61 of them made allegations of improper recruiting, and 31 of those allegations were substantiated; 42 recruits were granted depot level waivers by the Commanding General at the Parris Island Recruit Depot; 30 recruits were discharged for a variety of reasons, mostly erroneous enlistment; no action was taken for seven recruits; and four cases are still pending.

At the Fourth Marine Corps District, 135 members of the delayed entry pool were dropped. Twenty-four of those were from the January pool and 111 were from the February pool. Twenty of those cases are still being evaluated.

An investigation of the command echelon at Pittsburgh is also underway at the direction of the Commanding General of the Parris Island Recruit Depot. The CO of the Recruiting Station at Pittsburgh has been relieved.

Mr. **Murtha**. How did you discover this problem?

General **Hudson**. As I understand it, sir, a recruit at Parris Island became ill. The severity of his illness prevented his further training. It was learned that he had an ulcer. It was further disclosed that this ulcer existed before his enlistment and the recruiters knew it.

Mr. **Murtha**. I asked General Ono this morning if there has been any fraud and so forth in Army recruiting. I mentioned to him the case in Pittsburgh which I didn't know anything about, but I mentioned it only to give him an example of how he might have the same problem. He said that if these recruiters work the right way, they should be able to fulfill their quota without resorting to these types of tactics. Do you agree with this or did the pressure from having to recruit additional people, when there are less people available in the pool, cause this problem?

General **Hudson**. Undue pressure can certainly tempt recruiters. But there is not that degree of pressure today. It's a tough job out there and getting tougher. It's not that tough now. We have about 2,400 recruiters. Twenty-five were involved in this incident. I'm confident that fraudulent activity on the part of recruiters is not standard conduct; far from it. I think that this represents pretty much the extent of the fraud that we had, because if an individual is fraudulently recruited into the Marine Corps, that individual is not going to get through recruit training.

Mr. **Murtha**. The point I'm getting at, General Hudson, are the rest of the recruiting stations able to meet their quota without resorting to fraud as far as we know?

General **Hudson**. Yes, sir.

Mr. **Murtha**. Why then, in this individual station, did they have to resort to these types of tactics? They have a certain number of people available. If they go out and work at it, I assume they can meet their quota. You give them realistic quotas, in other words?

General **Hudson**. Yes, sir.

Mr. **Murtha**. So what caused this? Can you tell at this stage in the investigation?

General **Hudson**. I cannot, except that some senior staff noncommissioned officers were involved, including, I believe, the recruiting instructor of the Recruiting Station. So it was a breakdown in leadership. It's not that the quota was too high.

Mr. **Murtha**. You're sure that it is not widespread? This is an isolated case. As I understand it, you monitor your recruits. You know who recruits them. You know how they do if you start losing them or if you start finding people that haven't told the truth. When they get down to Parris Island you can go back to the recruiter and you are able to pinpoint who recruited that individual?

General **Hudson**. Yes sir. In each case, right back to that recruiter.

Mr. **Murtha**. How long do you think this was going on in this one particular recruiting station?

General **Hudson**. I think it was probably going on for about six months.

Mr. **Murtha**. Mr. Miller?

VARIABLE HOUSING ALLOWANCES

Mr. **Miller**. Thank you, Mr. Chairman.

General Hudson, in your prepared statement you mentioned the spending cap on the variable housing allowance in 1989 and the resulting increase in the out-of-pocket expense for Marines. Could you expand on that for the committee and also identify for us the locations in which you have experienced the greatest cost increases?

General **Hudson**. Mr. Miller, as you know the Basic Allowance for Quarters is supposed to cover about 65 percent of housing costs based on a national average. Variable Housing Allowance is supposed to cover roughly an additional 20 percent of the housing costs, which should leave about 15 percent of out-of-pocket expense remaining for the service member to pay. Our service members at the present time are spending a little bit more than 21.5 percent of out-of-pocket expense. Of course that is in the highest cost areas. The highest cost areas are on the coasts where most of our Marines serve.

Mr. MILLER. The Congress provided a seven percent raise in basic allowance for quarters and a total funding level of about $1.220 billion for variable housing allowance. The reason for the increased funding was to reduce the service man's out-of-pocket expense for housing. At that time this was to average 25 to 28 percent of the total housing costs in 1988. For 1989, at least, Congress has appropriated $78 million more than the DOD requested for VHA. What portion of this $78 million was allocated to the Marine Corps? Could you tell us that off hand?

General HUDSON. Yes, sir. About $14 million.

Mr. MILLER. About $14 million.

DOD has requested a 3.6 percent increase in VHA for 1990. Will this further reduce the out-of-pocket share?

General HUDSON. I understood, sir, that request was for a 3.6 percent across-the-board pay raise. Any pay raise affects BAQ. A 3.6 percent pay raise would also be a 3.6 percent increase in BAQ, and would help decrease out-of-pocket expense.

Mr. MILLER. The information that I had was that the 3.6 was for variable housing allowance. The request, at least, of 3.6 was for variable housing.

General HUDSON. If there is any increase in VHA, sir, it would reduce the out-of-pocket costs for housing for the service member.

CITIZENSHIP AND NATIONAL SERVICE ACT

Mr. MILLER. Earlier today, we talked to the people from the Army and talked about the personnel issues. At that time, I asked about the Citizenship and National Service Act of 1989, which would enable a young person to stay at home and earn $10,000 after one year of so-called volunteer service. On the face of it, the bill would appear to have a detrimental effect on the Marine Corps. Has the Marine Corps had a chance to analyze the impact of the legislation in recruiting goals?

General HUDSON. Mr. Miller, we are in process of doing an analysis on the proposed law. The proposal offers young men and women an opportunity to stay at home and earn a certificate for $10,000, which they can apply towards education or toward a down payment of a home, with an option for earning another $10,000 for a second year. This is the way that we understand the proposal. Or, the proposal allows for coming into the military service for two years for $24,000. I think that the proposal is at odds with what we have now. The Montgomery G.I. Bill provides, after three years of service and a $1,200 contribution, $10,800 that can be applied only toward education. That has to hurt recruiting.

AVIATION CAREER INCENTIVE PAY

Mr. MILLER. Your prepared statement also mentions that aviation career incentive pay levels have not changed since 1981 and that this could have an unfavorable impact on retention. Is the Marine Corps requesting an increase for this incentive pay, and if so, how much?

General HUDSON. Sir, as I understand it, the law will not allow us to budget for an increase in ACIP. I believe that ACIP has lost about 35 percent of its value since it has not been increased since 1981.

MARINES OVERSEAS

Mr. MILLER. Also in your statement, I noticed that the end strength for fiscal years 1990 and 1991 remains at the 1989 authorization of 197,200. Around the world, apparently at every embassy we have, you have Marines stationed. What percentage of the 197,000 do you feel would be involved in that type of work and operation?

General HUDSON. Mr. Miller, I will answer for the record the exact number of people that we have at embassies and consulates across the world. It is approximately 1,440, which is a very small portion of the 197,200 end strength request.

[The information follows:]

We plan to assign 1,472 Marines to the Marine Security Guard Program in fiscal years 1990 and 1991; 1,385 Marines stationed at embassies and consulates around the world and 87 Marines assigned to the Marine Security Guard Battalion at the Marine Corps Combat Development Command, Quantico, Virginia. Less than one percent of the Marine Corps' requested end strength of 197,200 supports the Marine Security Guard Program.

Mr. MILLER. It is a small portion, that is correct. Also, aside from the 1,440, you have Marines stationed outside of the continental United States, including Alaska and Hawaii. Would many of those Marines be stationed outside the U.S., such as the Marines that are protecting our embassies?

General HUDSON. I am not sure I understood the question, sir.

Mr. MILLER. I am wondering about how many Marines would be stationed outside the United States for purposes other than protection of our embassies.

General HUDSON. We have a Marine Expeditionary Force that is stationed in Okinawa and Japan. That MEF is less one Marine Expeditionary Brigade which is on Hawaii. Those Marines would number about 35,000. Once again, I can get the numbers to you. In addition to the Marine Expeditionary Force, sir, we have Marines that are deployed afloat with the amphibious-ready groups in both oceans, in the Mediterranean and in the Western Pacific.

Mr. MILLER. I see that we do have a booklet that describes this. You will not need to furnish that for the record now.

But my question is also about the composition of the group that is overseas. We have talked to several people regarding our military forces who are responsible for their wellbeing while abroad. We have quite a force, as you know, in Europe, West Germany, Japan, and Korea. Thus we have requests to build additional facilities such as schools for the dependents. If we have any opportunity to send someone to Europe, as an example, and a choice between a single man and a married man who may have two or three children or a single woman or a married woman who may have again two or three children—if we sent the single person we would not have the additional problem of building additional facilities for teaching the children. We also would not have the worry about getting their family out in case of war. The man at the firing line is going to be a lot more concerned about his family that is back there somewhere and he is going to be more interested in moving them away than anything else in the world. In such a time of spending restraint, could you give us your thoughts on the possibility of shifting gears and possibly sending single people overseas?

General HUDSON. Sir, it is a relatively new program that we have in the Marine Corps to assign Marines to accompanied tours in the Western Pacific where most of our Marines are stationed overseas.

Obviously, the Marines that are aboard ship with the amphibious-ready groups are unaccompanied and their dependents are, in fact, in the continental United States or in Hawaii. Our accompanied tour program has some 410 accompanied tours at Iwakuni, Japan—410 Marines with their families and a plan for 4,381 accompanied tours on Okinawa. We are just about half way there. At the end of 1989 we will have 2,429 accompanied tours on Okinawa.

Mr. MILLER. With their families?

General HUDSON. Yes, with their families. We are going to continue the accompanied tour program through the end of fiscal year 1989 because those Marines are already on orders and the plans are made. But we are reexamining whether or not to finish the program and go all the way to 1995 with the 4,381 Marines with their families on Okinawa.

Now, I would say that not all those Marines that have their families are part of those forces which would be deployed and employed first. Our fighting units, our battalions and our flying squadrons, are for the most part on the unit deployment program. They go on a rotational basis as a unit for six months at a time. They leave their families in the States.

The Marines that are over there are performing duties on stations as well as in the fighting units and on staffs. Not all of the staff members are on accompanied tours. They are a mixture of unaccompanied and accompanied.

Mr. MILLER. Do you find that you have problems when you need to send men or women overseas or do you have far more volunteers than the slots that you have for those overseas positions?

General HUDSON. We have some volunteers but we primarily, sir, assign the more senior Marines, the career Marines, on a rotational basis. When it is their turn to go, they go. In some cases, if we have an accompanied slot available we will offer it. Sometimes they will turn an accompanied tour down, sometimes they will take it. That part is on a volunteer basis and we have not had problems filling accompanied tours. As I say, I do not know what we are going to do at the end of this fiscal year. We are reexamining that now.

For our first termers, most of them joined the Marine Corps for that sort of an adventure and, quite frankly, we have more first term Marines that would like to go overseas than we can accommodate.

Mr. MILLER. First term Marines—are they primarily single or married?

General HUDSON. Both, sir.

Mr. MILLER. And both want to go?

General HUDSON. Yes, sir.

Mr. **Miller**. Is it possible to have at least some restriction on accompanied tours overseas? At least then we would not need to furnish the capital to build the schools that we are talking about and in a number of different places we find that such money is requested. So I guess that it is something for us to think about now. I hope that the Marines, when it comes time to make the decision, and I understand that you do not make all of those decisions—at least you have clarified several points on that and I appreciate that.

Mr. Chairman, should I continue. Do you have questions?

RECRUITING GOALS

Mr. **Murtha**. In your statement there is a chart which shows that the number of recruits who are high school graduates is up to 95.7 percent. Is that accurate?

General **Hudson**. Yes, sir.

Mr. **Murtha**. Your mental group I-IIIA is 69.3 percent. You do not mention the category IV. What numbers do you have in that category now?

General **Hudson**. About two-tenths of one percent.

Mr. **Murtha**. So less than one percent?

General **Hudson**. About 20 accessions this year. About 58 accessions last year.

Mr. **Murtha**. Unauthorized absences are down.

General **Hudson**. Our unauthorized absences have dropped off in the last two or three years by about 63 percent. I do not know if we have furnished you that.

Mr. **Murtha**. Yes, you have put it in. Desertion rate is down by 65 percent. I just wonder, are you coddling them in the Marine Corps today?

General **Hudson**. The answer to that, sir, is in this room and it is no.

RECRUIT TRAINING

Mr. **Murtha**. I had heard rumors it was getting easier at Parris Island—not like the old Corps. Do you know for a fact that it is still just as strenuous training as it used to be down there?

General **Hudson**. I think training is better now, sir, than it was in the old Corps.

Mr. **Murtha**. Not necessarily more strenuous but better?

General **Hudson**. It is extremely strenuous. I think it is just as strenuous. It is just as stressing. It is done in a different way and I think that the training is superior to what it was.

Mr. **Murtha**. I was becoming concerned, I had heard rumors that things were going very well in the Marine Corps and I thought maybe it was because you were relaxing some of the toughness out there. But that is not it at all. I know the Army said that there is a small group of people that just want to go to the Marine Corps. You are just getting better people and they are doing well.

General **Hudson**. Yes, sir. My discussions with your staff indicated to me that you are going to go to San Diego and perhaps visit the recruit depot. I think you will see that as far as toughness goes, it has not slacked off.

CHILD CARE

Mr. **Murtha**. How many single parents do you have in the Marine Corps? Do you have that figure off hand?

General **Hudson**. Eighteen hundred and thirty-nine, sir. The preponderance of them are male. We have 1,451 male and 388 female. Of course, the preponderance of those are enlisted Marines.

Mr. **Murtha**. Do you provide any kind of day care centers for those people?

General **Hudson**. At 17 of our installations, we have child development centers. At eight of our installations we have the family day care program. We can provide for about 5,000 children in the child development centers and another 1,000 in the 200 homes that we have participating in the family day care program. We expect to double the family day care program this fiscal year.

Mr. **Murtha**. How do these single parents take care of their children when they are sent overseas or on extended tours or shift work? How do they handle that?

General **Hudson**. Sir, that's the single parent's problem. We do not require that special provisions be made to relieve a single parent of any responsibility for worldwide deployability or for standing any kind of duty in CONUS or avoiding any training or that sort of thing.

Mr. **Murtha**. It sounds good and I hope it is true. I know how commanding officers will always have a tendency to make exceptions. You feel that's the word and that's the way it is being handled?

General **Hudson**. I think that the commanding officers, for humanitarian reasons, will make exceptions in the short-term when an individual first becomes a single parent for whatever reason. In the longer term, the single parent must be able to carry his or her own load.

Mr. **Murtha**. If he or she doesn't, they penalize the other people that are on duty.

Mr. McDade?

Mr. **McDade**. Thank you very much, Mr. Chairman.

General, I am sorry that I was detained in my office and didn't get to hear your statement. I am advised by staff that everything is going pretty well. The Marines are hitting their goals in recruitment and retention, using the bonus system primarily to incentivize people.

Let me ask you this question. It might be difficult for you. Do you think a former Marine could get through Parris Island today?

General **Hudson**. Yes, sir, I do.

FORCE STRUCTURE REALIGNMENT

Mr. **McDade**. Some of them could for sure.

I heard the chairman, and we know of his long standing interest in the Corps, ask you a host of questions and they are all right on point. Let me ask you one about force structure that a lot of people are talking about now—realignment of force structure.

Secretary Lehman, in a recent news article, talked about the change in United States Forces between active and reserve and he stated while six division equivalents and four air wings is about right, the ratio of division equivalent should be half active and half reserve instead of only one reserve as it is now. What's your critique of that statement? Do you agree or disagree with it, general?

General **Hudson**. Secretary Lehman had some wrong numbers. I don't know where the sixes came from. We have three Active Division, Wing Teams and one Division/Wing Team in the Reserves. I think that our missions requires us to keep three active Division/ Wing Teams—as a matter of fact the law require us to have three combat divisions and three air wings. I think the law is correct because our mission requires it.

Mr. **McDade**. The law requires the mix of three and one?

General **Hudson**. The law requires that we have three active Division, Wing Teams. Yes.

Mr. **McDade**. Which you currently have?

General **Hudson**. Yes, sir.

Mr. **McDade**. General, no further questions. Thank you.

Thank you, Mr. Chairman.

Mr. **Murtha**. Mr. Miller?

PILOT RETENTION

Mr. **Miller**. I had one question, General. When you were speaking about the potential future loss of trained aviators as the impact of the civilian airline hiring begins again—I'm not sure what it means. You stated it this way: "as the impact of increased civilian airline hirings begins to be felt." For some time, apparently, they have been lifting the pilots from the air force and only recently they have been pulling pilots from the Marines. Is that correct?

General **Hudson**. Not exactly, sir. Marines have been leaving the Corps to go into the airlines for a number of years. What has happened more recently is that the surplus of aviators which we have carried on board for about the last five years has drawn down. We no longer have a surplus on board. Our cumulative retention figures are just about steady. As a matter of fact, they are the same for fiscal year 1988 as for fiscal year 1987. We are beginning to see now that we are losing aviators in a few more numbers than we have in the past. We require fewer field grade aviators than our sister services by a little bit because of the difference in force structure. We require comparatively more company grade aviators. Letting those company grade aviators go—many of whom went to the airlines—didn't affect us to the same degree over the last several years as it has sister services.

Mr. **Miller**. In the next sentence you say: "In addition, there is a growing perception among Marines of an erosion of benefits." What is bothering them the most when we speak of erosion of benefits?

General **Hudson**. Two things for the aviation community, sir. One is that, as mentioned earlier, the flight pay—aviation career incentive pay as it is called—has not been increased since 1981.

Two, other services are paying bonuses. We are not paying bonuses because we do not have a crisis. When I was asked here last year if we needed a bonus, I believe my response was: not yet. Our pilots fly the same kinds of airplanes, fly the same missions, and in some cases at the same time and off the same ships for instance as navy pilots fly. Some of those navy pilots are qualified for the upfront bonus of $12,000 that our pilots are not qualified for. That's a dissatisfier.

Mr. MILLER. It was mainly the pilots that you were referring to when you spoke of an erosion of benefits? Apparently that's so. That was in your statement.

General HUDSON. No sir. That referred to all service members. The perception of an erosion of benefits is credited through reduced pay raises, VHA shortfalls, and difficulties with the availability of medical care and child care.

Mr. MILLER. If we could have for the record at least the full number—we already have that in your statement—the total number of Marines. If we could have how many are single and how many are married. If you do not have that with you, furnish that for the record. Then, how many that are stationed overseas are single and how many are married? If you would furnish that for the record also.

General HUDSON. I'll furnish those numbers for the record, sir.

Mr. MILLER. If you would, it would be helpful. Thank you.

Thank you, Mr. Chairman.

[The information follows:]

As of 30 September 1988, the Marine Corps had 89,211 married Marines and 108,139 single Marines. The number of married Marines stationed overseas is 13,116, we also have about 19,988 single Marines stationed overseas.

RECRUITING INCENTIVES

Mr. MURTHA. Are the bonuses, the G.I. Bill and other benefits essential to recruitment in the Marine Corps?

General HUDSON. Yes, sir, they are. They are becoming more so.

Mr. MURTHA. It's hard for me to believe that we need those kinds of incentives to get people into the service but it is a fact, isn't it? If you cut those back, your experience is that the number of people you are able to recruit goes down? You need the extra money to attract them, especially in certain skills?

General HUDSON. We do, sir.

Mr. MURTHA. Are there any other questions? We will have questions for the record.

Thank you very much, General Hudson.

General HUDSON. Thank you, sir.

Mr. MURTHA. Keep up the good work.

General HUDSON. Thank you, sir.

Mr. MURTHA. The committee is adjourned until 10:00 a.m., Wednesday.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

END STRENGTH

Question. The FY 1990 end strength of 197,200 Marines is at the FY 1989 authorized level.

In your prepared statement you indicated the Marine Corps has just recently made major force structure changes. Can you briefly describe how the Marine Corps is now structured?

Answer. The Marine Corps has made major force structure changes. Our success is a result of our young leadership generating ideas and developing means for implementation; our senior leadership validated the concepts; and we committed ourselves to accomplishing the changes within current resource limits. Within the first four months after General Gray took command, we reorganized the Marine Corps Development and Education Command at Quantico into the Marine Corps Combat Development Command. This Command has direct interface with our Fleet Marine Forces, providing a more effective means for identifying requirements, changes to organization and doctrine, and improving warfighting capabilities in general. We also formally activated the Marine Corps Research, Development and Acquisition Command, streamlining research, development and acquisition procedures.

We shifted some of our heavier general support artillery to the Reserve component. Further, our tank battalions were reorganized to accommodate the inceased capabilities of the M1A1 tank. Force Service Support Groups were streamlined to provide additional manpower to higher priority needs within the MAGTF. We improved our infantry battalions with the addition of a fourth rifle company for each battalion. Additional manpower was shifted to the infantry to increase foxhole strength. Our light armored infantry units were improved by adding 168 scout-infantrymen for each battalion. The command element of each Marine Expeditionary Force will be enhanced with the activation of a Surveillance, Reconnaissance, and Intelligence (SRI) Group. This restructuring consolidates intelligence planning, gathering and dissemination assets into one integrated unit.

WOMEN IN THE MARINE CORPS

Question. The Marine Corps plans to open approximately 1,500 billets to women during FY 1989. These billets include assignments at the headquarters level of the Light Anti-aircraft Missile Battalion and Marine Corps Security Forces.

General Hudson, in your opinion, will these billets be filled voluntarily?

Answer. The Marine Corps has already opened a potential 1,500 billets for women. Highlighting this increase in career opportunities for women is the opening of the corrections field and the Headquarters, Light Anti-aircraft Missile Battalion, both of which will be directed assignments that qualified Marines may request. Additionally, the assignment of women to the Marine Security Forces and the continued integration of women as Marine Security Groups is being accomplished by qualified volunteers.

Question. How many women, by officers and enlisted, are in the Marine Corps?

Answer. As of January 1989, there were 8,989 enlisted women and 671 women officers in the Marine Corps for a total population of 9,640.

PAY RAISE

Question. Normally when Congress provides a pay raise to the military, they apply it across the board for basic pay, basic allowance for subsistence and basic allowances for quarters. For FY 1989, the Congress made a special adjustment for housing and provided a 7 percent raise for housing allowance and 4.1 percent basic pay and subsistence allowance.

How was this combination pay raise accepted by the servicemembers? In your opinion, is this an effective way to provide pay raises in the future?

Answer. The FY 1989 combination pay raise was perceived as adequate and wholeheartedly accepted by the majority of Marines. The pay increase allowed for our compensation to keep in step with inflation, and narrowed the pay comparability gap between the military and the private sector from 11 percent to 10.1 percent. Although a step in the right direction, the 10.1 percent gap remains a significant concern and should not be allowed to widen.

Distribution of pay increases is sometimes required to correct the inconsistencies within the compensation elements. The FY 1989 distribution to basic allowance for quarters (BAQ) partially corrected both the deficiency and inequity in BAQ rates by setting the rates at approximately 61 percent of the national housing median for all grades. This corrected a situation where the out-of-pocket expenses each member was paying for housing differed. Each member now pays the same percentage of out-of-pocket expenses for housing. Before any distribution can occur, the raise must first be adequate and uniform within the compensation elements.

INCENTIVE BOUNSES

Question. The Marine Corps relies on the Selective Reenlistment Bonus (SRB) to retain those individuals who are in critically short skills. The FY 1990 budget request is for a five percent increase in SRB.

Which skills have been continuously determined as critically short?

Answer. The following skills have been continuously determined as critically short over the last three years:

0231—Intelligence Specialist.
2621—Manual Morse Intercept Operator.
267X—Cryptologic Linguists (Persian/Semantic, East Asian, and Russian).
2831—Microwave Equipment Technician.
5944—Aviation Radar Repairer (AN/TPS-63).
6044—Aircraft Nondestructive Inspection Technician.
6154—Helicopter Hydraulic/Pneumatic Mech, U/AH-1.
6344—Aircraft Electrical Systems Technician, U/AH-1.
6465—Hybrid Test Set Technician, IMA.
7236—Tactical Air Defense Controller.
7382—Airborne Radio Operator/Loadmaster.

Question. What is your retention rate for first-termers?

Answer. First-term retention, through December 1988, is 21.4 percent.

RETENTION

Question. What percentage of first-term losses go into the reserves? How about second-term losses?

For the record, will you provide a breakout by specialty (MOS) and by grade of those first-term and second-term losses who go into the reserves?

Answer. Prior active duty Marines are recruited for the Selected Marine Corps Reserve on the basis of Reserve requirements for both MOS and location. This means that the percentage of former active Marines who are afforded an opportunity to join the Selected Reserve is driven by the needs of Reserve. The information that could be obtained from the type of cohort tracking required to determine the percentage of former active Marines eventually entering the Selected Reserve would not be useful for predictive purposes. Those percentages would have been influenced by Reserve requirements which vary from year to year. Under the eight year Military Service Obligation, all first term enlisted losses who have enlisted after 1 June 1984, and were separated from active duty (vice discharged), automatically become members of the Individual Ready Reserve.

Each year, approximately 4,000 to 5,000 prior service Marines join the Reserve. This equates to as much as 16% of total active force separations.

Defense Manpower Data Center statistics show 4,338 prior service gains in FY 1988 broken down by rank as follows:

Pvt, 18; PFC, 77; Cpl, 783; Cpl, 1,800; Sgt, 1,176; SSgt, 358; GySgt, 94; MSgt/1stSgt, 24; MGySgt/SgtMaj, 8.

These individuals held over 200 different MOS's and 50 percent will be retrained to fit the needs of the local reserve unit for which they were recruited.

ACTIVE VERSUS RESERVE UNITS

Question. For the record, provide what additional roles the Marine Corps Reserve can contribute to the Marine Corps' total force. Also, indicate any offsetting reductions in the active component.

Answer. We are mandated by law to maintain three active Division/Wing Teams, and we have one reserve Division/Wing Team. We have transferred many heavy assets that will be needed only for general war to the reserves. We have structured the active forces to react immediately to the most likely low to mid-intensity conflicts without relying on mobilization of the reserves. I believe we have the right mix now between reserves and active forces. I believe that there are no more additional roles that we can transfer to the reserves.

We cannot move any more force structure to the reserves without reducing our capability to respond immediately.

[CLERK'S NOTE.—End of questions submitted for the record.]

THURSDAY, MARCH 9, 1989.

MILITARY MANPOWER—DEPARTMENT OF THE NAVY

WITNESS

VICE ADMIRAL J.M. BOORDA, U.S. NAVY, DEPUTY CHIEF OF NAVAL OPERATIONS FOR MANPOWER, PERSONNEL AND TRAINING

INTRODUCTION

Mr. **MURTHA**. The committee will please come to order.

This afternoon we welcome Vice Adm. J.M. Boorda, Deputy Chief of Naval Operations for Manpower, Personnel and Training and Chief of Naval Personnel. This is Admiral Boorda's first appearance before this committee.

Admiral Boorda, your biography and prepared statement will now be put in the record. After you summarize your statement, we will have some questions for you. Please proceed.

SUMMARY STATEMENT OF ADMIRAL BOORDA

Admiral **BOORDA**. Thank you, Mr. Chairman. I will be very brief.

This year I think the most noteworthy thing in our budget is that we are asking for an end-strength increase of 4,400 people.

I would like to talk about that for a second.

It would be attractive, it was attractive—it was very tempting to cut that out and straight-line our end strength this year.

However, given the force structure we have, our at-sea billets are going up even greater than the end strength we have asked for, and so to hold end strength constant would be a way to increase sea duty at the expense of shore duty for our career sailors.

When our people leave the Navy, decide not to stay, their number one reason for doing so is always family separation.

Pay is number two.

So we held onto the end strength increase even in this kind of a budget environment because we did not want to increase the proportion of sea duty versus shore duty any more than we absolutely had to.

It is a quality-of-life issue for our people and that is why it is there.

We also learned some serious lessons in fiscal year 1988 when we did not have enough funding to handle the end strength we had and we had to delay promotions for officers. We had to delay advancements for enlisted persons.

We delayed change-of-station transfers for all personnel for four months. Even people who want to move get mad at you when you tell them they can't move. And we forced people out of the Navy as much as six months early. We actually told them,"You are going to lose your job. You either have to re-enlist for two years or more or get out now."

In fact, another way to say that is we didn't honor our contract. We learned those lessons in 1988. We thought that was wrong, so even in today's fiscal environment, we have fully funded the manpower budget.

What I am bringing you today is a fully-funded budget, and I don't mean excessively funded, but I mean funded well enough so that when a vacancy is there and a person is qualified, they will be advanced on that day.

When people need to be transferred, there will be money to transfer them where they need to go and do that at government expense, and we will not force anybody out of the Navy with this kind of a budget.

So I hope, as tough as the fiscal environment is, that you will be able to look at this and realize this is a case of the Navy putting its money where its mouth has always been and we have funded our people programs this year.

Mr. MURTHA. Thank you.

[The biographical sketch and statement of Admiral Boorda follow:]

Vice Admiral J. M. Boorda, born in South Bend, Indiana in November 1938, enlisted in the U.S. Navy in February 1956. He attained the rate of petty officer first class, serving in a number of commands, primarily in aviation. His last two enlisted assignments were in Attack Squadron 144 and Carrier Airborne Early Warning Squadron 11. He was selected for commissioning under the Integration Program in 1962 and attended Officer Candidate School.

Following commissioning in August 1962, Vice Admiral Boorda served in USS PORTERFIELD (DD 682) as Combat Information Center Officer. He attended Destroyer School in Newport and, in 1964, was assigned as Weapons Officer, USS JOHN R. CRAIG (DD 885). His next tour was as Commanding Officer, USS PARROT (MSC 197). Vice Admiral Boorda's first shore tour was as a weapons instructor at Naval Destroyer School in Newport, RI. In 1971, after attending U.S. Naval War College and obtaining a B.A. from the University of Rhode Island, he assumed duties as Executive Officer, USS BROOKE (DEG 1). That tour was followed by a short period at the University of Oklahoma and an assignment as Head, Surface Lieutenant Commander Assignments/Assistant for Captain Detailing in the Bureau of Naval Personnel. In 1975, Vice Admiral Boorda took command of USS FARRAGUT (DDG 37) remaining until 1977. He was next assigned as Executive Assistant to the Principal Deputy Assistant Secretary of the Navy (Manpower & Reserve Affairs). In 1979, he relieved the civilian Presidential appointee in the position, remaining until he assumed command of Destroyer Squadron TWENTY-TWO in 1981. In 1983 and 1984 he served as Executive Assistant to the Chief of Naval Personnel/Deputy CNO for Manpower, Personnel and Training. In December 1984, Vice Admiral Boorda assumed his first flag assignment as Executive Assistant to the Chief of Naval Operations remaining until July 1986. Vice Admiral Boorda's next assignment was as Commander, Cruiser-Destroyer Group EIGHT in Norfolk, Virginia. As a Carrier Battle Group Commander embarked in USS SARATOGA (CV 60), he also served as Commander, Battle Force SIXTH Fleet in 1987. In July 1988, Vice Admiral Boorda was nominated to be the Chief of Naval Personnel/Deputy Chief of Naval Operations (Manpower, Personnel and Training) and assumed that office on 9 August 1988.

Vice Admiral Boorda's awards include the Distinguished Service Medal (2nd award), Legion of Merit (3rd award), Meritorious Service Medal (2nd award) and several other personal and campaign awards.

Vice Admiral and Mrs. Boorda, the former Bettie Moran of Comanchee, Oklahoma, have four children. Two sons, Robert and Edward, are Surface Warfare Officers and their daughter, Anna, is also married to a Surface Warfare Officer. Their son David resides in Arlington, Virginia.

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
APPROPRIATIONS COMMITTEE

STATEMENT OF
VICE ADMIRAL J. M. BOORDA, U. S. NAVY
DEPUTY CHIEF OF NAVAL OPERATIONS
FOR
MANPOWER, PERSONNEL AND TRAINING
AND
CHIEF OF NAVAL PERSONNEL
BEFORE THE
DEFENSE SUBCOMMITTEE
OF THE
HOUSE APPROPRIATIONS COMMITTEE
ON
MILITARY PERSONNEL, NAVY
9 MARCH 1989

NOT FOR PUBLICATION UNTIL
RELEASED BY THE HOUSE
APPROPRIATIONS COMMITTEE

I. Biography/Introduction/Overview

II. Budget Request for the Total Force; Military Personnel, Navy

  A. MILITARY PERSONNEL: "The First Variable"
    1. Enlisted End Strength.
    2. Officer End Strength.

  B. RECRUITING: "The Second Variable"
    1. Enlisted Recruiting Results.
    2. Officer Recruiting Results.
      a. Nuclear Officer Accessions.
      b. Medical Accession Issues.
        1. Nurse Candidate Program.
    3. FY-89/90 Recruiting Market/Resources
      a. Enlistment Bonus
    4. Recruiting Study
  C. RETENTION: "The Third Variable"
    1. Enlisted Trends/Projections
      a. Selective Reenlistment Bonus (SRB)
    2. Officer Trends/Projections
      a. Pilot Retention/Inventory SITREP
        1. Aviation Continuation Pay
      b. Nuclear Officer Retention/Inventory SITREP
        1. Nuclear Officer Incentive Pay
        2. Spot Promotion
      c. Medical Officer SITREP
        1. Blue Ribbon Panel Recommendations
        2. Medical Officer Retention Bonus
    3. Attrition Study
  D. Reserve Forces
    1. SELRES - Officer/Enlisted
    2. Full Time Support - Officer/Enlisted
    3. NRF Improvements FY-88/90
      a. Surface and Air
  E. Civilian Manpower
    1. Strength Issues
    2. Manpower Requirements Determination (SYSCOMS)
    3. Reconversion of Trainer Aircraft Maintenance Support
  F. Requirements Determination
    1. Shore Requirements
    2. Ship/Sqdn Manpower Document Validation (SMD/SQMD)
    3. Manpower Research and Development
  G. Permanent Change of Station (PCS) Program

III. Progress in Implementing TITLE IV of the Goldwater - Nichols DOD Reorganization Act of 1986

IV. Personnel Readiness Issues and Trends

- A. Personnel Readiness
- B. Women in the Navy
- C. Equal Opportunity Study
- D. Report on Manpower, Mobility, Sustainability and Readiness

V. Quality of Life Issues

- A. Military Pay VS ECI
- B. GAO Study on Overseas Housing Allowances
  - 1. Family Housing Allowance
  - 2. Foreign Currency Fluctuation Account
- C. Variable Housing Allowance (VHA) Funding
- D. Extended Funding of Dependent Student Travel
- E. Expanded Definition of Dependents
- F. 6th QRMC Report
- G. Human Resources
  - 1. Personal Excellence Program
- H. Navy Housing
  - 1. Family Housing Request
  - 2. Bachelor Quarters
- I. Morale, Welfare, Recreation Programs
- J. Child Care
- K. Naval Home

VI. Training and Education

- A. Training Issues
  - 1. Safety of Navy Training
  - 2. Management of Training
    - a. Improved Attrition Rates
    - b. Continuum Process
- B. Education Issues
  - 1. Montgomery GI Bill
  - 2. All-Volunteer Force Education Opportunities
    - a. Navy Campus - TA
    - b. Services to the Fleet - PACE

VII. Summary

VIII. Index of Figures

IX. Appendix A: MPN Appropriation Request

INTRODUCTION/OVERVIEW

Mr. Chairman and distinguished members of the Subcommittee, it is both my privilege and pleasure to appear before you in my dual capacity as the Deputy Chief of Naval Operations for Manpower, Personnel and Training, and as the Chief of Naval Personnel.

My statement describes the Navy's manpower, personnel and training budget request for FY-90/91, including the active, reserve and civilian components of our Total Force. It also details our personnel readiness posture, recruiting and retention trends, quality of life programs and training. Additionally, I'll focus on several issues and concerns raised in various committee reports or bills during the last Congressional session.

The past year was a time of real progress in many programs affecting Navy people. Career opportunities for women are expanding at sea and ashore. We completed a top-to-bottom study of our Equal Opportunity Program and are now implementing its recommendations vigorously. There is much to feel good about when I talk about Navy people.

The Secretary of the Navy and the Chief of Naval Operations have stated on many occasions that the Navy's primary commitment must be to our people. They have reaffirmed that priority this year, and I can only echo this principle in the very strongest terms.

As the commander of a cruiser-destroyer group for the past two years, I witnessed firsthand the way that past investments in our Navy are being returned many times over. It was my good fortune to lead the best sailors with whom I have served in more than three decades in uniform. In the face of very real fiscal constraints and difficult budget decisions, our imperative is to preserve the gains we have made now and in the future. We must sustain a commitment to our people.

It is Navy people--men and women, most of them not more than 20 or 21 years old--who make the best, or even the worst, ship or squadron work. Today's sailors are confident. They are smart, tough and purposeful. Because of their dedication and commitment, Navy readiness is real. During the past year, we have witnessed forceful examples of the Navy acting in direct support of the nation's interests in the far reaches of the world's oceans, from the waters of the Persian Gulf, to the Mediterranean Sea, and the Atlantic and Pacific Oceans.

The Navy's achievements are the product of our people's hard work and personal sacrifice. It is the result of sailors putting to sea for long deployments under arduous and frequently hazardous conditions. They and their families endure the stress that comes from demanding and often dangerous duties far from home. There is little room for false starts or error, but an ever-present demand for perfect performance the first time, every time.

The outstanding personnel readiness that we have slowly forged in recent years is the foundation of Navy readiness overall. During my time as the Chief of Naval Personnel, I have applied every energy to ensuring we do not falter in our quest for a decent quality of life for our sailors. My goal is to show our men and women by our example and deeds that the phrase "taking care of our own" really means something.

The phrase "quality of life" means different things to different people, but its essential elements are easily grasped. As a forward deployed force with undiminished global commitments, it means striking a careful balance between sea and shore tours and achieving an operating tempo that does not prolong family separations to unreasonable lengths.

It means paying our sailors adequate compensation for their work and having incentive pays and bonus programs that are commensurate with the skills we need in a Navy of increasingly complex technology. It means decent housing, family support programs and medical care, and a welfare and recreation program that offers wholesome leisure activities overseas and here at home. It means having funds available to promote people on time when vacancies occur so that outstanding performance is recognized and rewarded. It means a viable program of educational opportunities so our people can chart their own path toward upward mobility. My approach to these numerous considerations reflects my very strong belief that quality of life for our sailors is a readiness issue in every sense. It is as important as training or maintenance. Sailors satisfied with their quality of life and imbued with the knowledge that their sacrifices are recognized will invariably do a better job. They will be inclined to sign on for a Navy career in greater numbers at a time when needed levels of technical competence and experience are growing.

A better job and greater experience spell better combat readiness. The lesson of history through the ages is that people, not things, win wars. People are at once our present and future strength.

My responsibilities for ensuring we achieve the needed levels of readiness through people encompasses three main variables: (1) having the right number of people (end strength) to man our ships, squadrons and shore stations; (2) recruiting the right number of quality people to be trained in needed skills, and; (3) retaining sufficient numbers of experienced people for the long term. Together with my staff, I have examined each of these area in considerable detail in recent months.

Faced with a tough and increasingly challenging budget environment, some people may look to reduce manpower--with their dollar-for-dollar outlays--as an attractive option to trim defense spending. My message for you today is that this would be a false economy for the Navy, and one that would only reduce current operational and personnel readiness to unacceptable levels.

In light of past end strength growth constraints, I have found no feasible alternatives that would allow us to reduce the cost of manning today's Navy while still allowing us to man our force structure, meet the same level of commitments at the same levels of combat readiness, achieve the same levels of material condition and support a decent quality of life for our people.

Our personnel program is bounded by the realities of the operating environment, a high tempo of overseas operations and a force structure sized to meet our commitments. Manning of ships and squadrons has been our first priority during the naval recovery program of recent years.

The numbers and quality of personnel and the kind and duration of their training are tied directly to our force structure. During the past decade, we constrained growth in the shore establishment despite the demands of new programs and new ships. At the same time that we sustained reductions in overall officer manning, we leaned out our shore stations to the limit of manpower efficiencies. As a result, our tooth-to-tail ratio has increased from 1:1 in FY-80 to approximately 1.4:1 today.

Our current distribution has achieved a balance of fleet manning, readiness and quality of life that has measured up well to the challenges we faced this decade. We made progress in achieving our goal of a sea/shore rotation ratio of three years afloat and three years ashore (3:3) for career sailors, a meaningful proxy for quality of life for a sea-going force.

In a constrained end strength environment, we will not be able to achieve our goals. By FY-93, the current ratio of 3.8:3 will be nearly 3.9:3 (reflecting a growth of about 4000 billets at sea). End strength reductions would only exacerbate this trend, and the quality of life for our people would be unavoidably degraded.

At a time when the mobility and flexibility of sea power are assuming greater importance in our national security posture, we must not repeat the mistakes of a decade ago by allowing the burden of undiminished operational commitments to be placed on the backs of our sailors. That must not happen again.

Our ability to sustain our current force posture and readiness rests with the other factors in our personnel readiness equation, recruiting and retention. While there is much to feel good about today, there are sufficient signals in the air to raise concern for the future.

Navy recruiters did well in FY-88 in meeting the Navy's yearly enlisted accession requirements, both in quantity and quality. The challenge in the enlisted area has been to meet new contract objectives to build our Delayed Entry Pool (DEP) for the future. New contract goals were not met for ten months of the year in FY-88. We expect a continued drawdown of this pool during the coming year.

Person for person, our Navy Recruiting Command is the most effective team of military recruiters in the country, and their officer recruiting results also demonstrated high productivity. All officer recruiting goals were met or exceeded last year with the exception of Nurse Corps and physician programs. Additional medical recruiters have been added to our force to address this shortfall.

Several factors in today's recruiting environment place future recruiting success at risk. The continuing decline in the male youth population will not turn around until 1996, and with generally low unemployment, there is greater competition for high quality youth available and eligible for enlistment.

Because of rising first term attrition and declining recruit quality, training requirements and costs are expected to increase in the coming decade. The demand for quality that comes with the increasing complexity of our systems and our maritime operational environment will be harder to meet from the population at large.

This recruiting outlook drives two needs. One is your support for the recruiting resources and advertising dollars we must have to support Navy recruiters in their work. There is a low awareness of Navy opportunities among youth population, and we need to turn this around. To chart our own course more clearly, I have started two independent studies to develop near and long term strategies to allow us to identify and penetrate high quality markets.

Our recruiting outlook also imposes a retention dynamic in the quality of people we must retain in the service. This is the third factor in our personnel readiness equation. Retaining sufficient numbers of our best qualified people will always be our greatest challenge.

We did reasonably well in 1988, although career retention has continued to slip slightly every year since 1984. Enlisted retention is still fragile in critical skills, and the Selected Reenlistment Bonus program continues to be one of our most effective tools for managing this problem.

Retaining top quality sailors is influenced significantly by today's healthy economy and low unemployment. Military-civilian pay disparity persists. During the past year, "low pay" was the second most frequently cited reason for sailors leaving the Navy.

We are working hard to redress officer shortages in health care, nuclear propulsion qualified and mid-grade pilots in certain specialties, notably tactical aviation. Significant numbers of additional medical recruiters have been placed in the field, and new bonus and incentive programs should stimulate higher retention among our health care professionals. I am confident that our aggressive implementation of last year's Medical Blue Ribbon Panel recommendations will also yield many additional dividends as we revitalize Navy medicine.

In aviation, we are faced with increasing competition from the airlines--aggressive competition that has contributed to our shortage of approximately 1500 junior officer aviators. This figure is up by 400 from last year. The Aviation Continuation Pay (ACP) law passed last year by the Congress provided bonuses of up to $12 thousand for mid-grade pilots in critical shortage areas. It has already had an effect in attracting officers who have elected to commit themselves for added years of service.

Compensation is not the only factor influencing officer retention, but our experience has shown that retention does improve when bonuses are increased. Last year's Congressionally-approved increase to submarine duty incentive pay, for example, is yielding positive results in our nuclear recruiting and retention areas.

My goal for this year has been to provide Navy people a year of relative stability in the personnel arena. In 1988, we were forced to take a number of unpalatable but necessary actions because of shortfalls in personnel appropriations. Such actions included delays in officer promotions and enlisted advancements; increasing time-in-rate requirements for E1 and E2 personnel; establishing voluntary and involuntary early release programs; extending tour lengths by two to four months; delaying the start-up in our Selective Reenlistment Bonus (SRB) program; and reducing Special Duty Assignment Pay. Having been in the fleet when these matters were enacted, I can assure you that no one wants to see a repetition in future years.

As the result of those drastic actions, the number of units reporting in the highest category of personnel readiness dropped by 10% overall and 14.4% for ships. Left alone, the numbers would have fallen further. Our fleet Commanders-in-Chief were only able to compensate for the impact of the involuntary early-out program by cross-decking and other expediencies.

We have largely recovered from those negative actions, but uncertainty still persists in the fleet about our outlook for the future. For the current fiscal year, I am confident that with the appropriations Congress provided, combined with transfers from other accounts to cover newly enacted programs, we will avoid the need to resort to comparable measures this year.

But, as I noted during my opening remarks, our challenge is to preserve past gains for the future. There are few discretionary variables in our manpower account. Reductions to our budget request can only result in compromising fleet readiness or reducing the quality of life for our people. Our current quality of life is acceptable but deteriorating due to increasing sea/shore billet ratios and the gap between military and civilian sector wage growth.

Sustaining a commitment to Navy people means nothing less than protecting the delicate balance between personnel readiness and a decent standard of living for all hands. It means nothing less than having the right numbers of people and adequate funding for the quality of life priorities I have described today.

I look forward to working closely with you throughout the budget year in frank and open discussions to achieve these goals.

BUDGET REQUEST FOR THE TOTAL FORCE

I would like to clarify before starting that all of the budget figures which will be covered today are from President Reagan's budget submission.

Military Personnel, Navy (MPN) - "The First Variable".

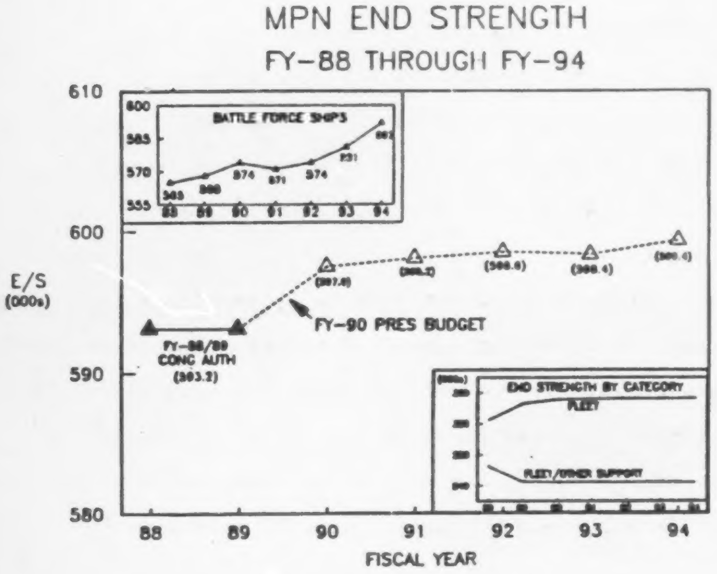
In FY-90, Navy end strength will increase by 4400 billets, 3977 enlisted and 423 officers, a ratio of 9.4 enlisted for each officer (about two-thirds of the officer billets are in medical professions.) This 0.74 percent MPN end strength growth in FY-90 is required to provide manpower for new construction ships, and increase the size of special operations forces, tender support capabilities and the inventory of officer health care professionals.

A major portion of the active duty growth in FY-90 is to provide precommissioning (PRECOM) units with manpower. In FY-90, 2763 new billets for PRECOM units are required for ships scheduled to commission in FY-91 through FY-93. In FY-91, total end strength will increase 600 (0.01% growth) with 4880 PRECOM billets for ships commissioning in FY-92/93. As older ships are retired, manpower (i.e.: 4700 billets in FY-91) will be reallocated to new construction units and other fleet requirements. This balancing of the force will allow us to man new ships with relatively small manpower increases.

Active duty requirements will grow gradually during the FYDP as the number of battle force ships increases (Figure 1).

Note that manpower will remain nearly constant even though fleet units increase across the five year plan. Without this growth, sailors' tours at sea will necessarily be lengthened to an unacceptable degree, the shore establishment will continue to be undermanned, and retention, a significant factor in readiness, will decline.

FIGURE 1



Enlisted End Strength. Enlisted end strength growth (3977 in FY-90 and 604 in FY-91) reflects the requirement to provide for new construction ships, in ten ship classes, which will commission between FY-91 and FY-93. The Navy continues to program a majority of active duty increases to Fleet units versus support activities.

Officer End Strength. After 2 years of officer end strength cuts, 1576 billets in FY-87 and 2090 billets in FY-88, scheduled officer reductions for FY-89/90 were rescinded by the FY-89/90 Defense Authorization Act. FY-89 was a zero growth year for Navy officer end strength. In FY-90 officer end strength grows by 423 billets from 72,610 to 73,033. This represents a modest growth factor of 0.58 percent. About two-thirds of this growth is in the medical professions. In FY-91, there is a net reduction in officer end strength by four to a level of 73,029.

Recruiting - "The Second Variable".

In FY-88, we began encountering the recruiting difficulties predicted for the late 1980's, and Navy's recruiting force is now adjusting to the combined pressures of a vibrant economy and a declining youth population. To continue achieving accession requirements in the future, we are injecting the best support possible from existing assets. It is equally important to maintain the requested funding support for recruiting resources and advertising dollars in view of the fact that Navy recruiting opened FY-89 funded (in real terms) at its lowest level in this decade. While we are moving - within existing assets - to meet recruiting challenges, we need funding support to ensure the variety of tools required are available to allow adjustments to a changing market. The challenges are clear: the economy is expected to remain strong, unemployment rates will continue at their lowest levels since the inception of the All Volunteer Force, and the recruitable youth population will continue declining. These are not insurmountable odds, and with your support, we will move aggressively to meet our accession requirements.

Enlisted Recruiting Results. In FY-88, Navy accessed 93,939 enlisted personnel of which over 80,000 were non-prior service males. The overall percent of non-prior service accessions classified as Upper Mental Group (UMG) was 61.0 with 90.6 percent being High School Diploma Graduates (HSDG). This represents essentially no change from the previous year and is directly attributable to the healthy size, quality and distribution of the FY-88 Delayed Entry Pool (DEP). However, production of DEP contracts for people scheduled to access in FY-89 fell short of objectives. In six of the last eight months of FY-88, recruiters were unable to produce sufficient new contracts to build the DEP for FY-89. Recruiting during the summer months, traditionally the most productive time of the year, was the worst since 1985. FY-89 began with 3881 fewer people in DEP than in the previous year. More significantly, the composition of the DEP was below our non-prior service requirements and contract placement was also unfavorable. A smaller proportion of non-prior service males had made the commitment to join the Navy. Of this smaller population

5428 fewer were high school graduates and 4571 fewer were classified as Upper Mental Group. We began FY-89 with a smaller percentage of our winter and spring accessions already under contract. This fact has forced recruiters into the work force market to meet monthly accession requirements for this time of year. Not only are quality applicants more difficult to find in the work force market, but recruiters are diverted from searching out high quality applicants from within the upcoming high school graduation class. Compounding the problem, accession requirements for the other Services are higher in FY-89 than they were in FY-88, increasing competition among all Services for qualified military applicants. We must move recruiters out of the work force/direct ship market and into the high school and collegiate markets to compete. For the future, we are developing tools to effectively recruit in junior colleges and vocational schools, as well as in the work force. Our FY-90 budget is the key element in our strategy to ensure that we sustain the quality Navy we have built in the 1980's.

Officer Recruiting Results. Officer recruiting was successful for the Unrestricted Line programs during FY-88. The effort for FY-89 has not been as successful. At the end of the first quarter FY-89, we have 59.0% of this year's overall officer goal accessed or in the Delayed Entry Pool (DEP). This number compares to 73.4% in DEP or accessed at the same time last year. The significance of this change is that it forces officer recruiters to work the college seniors market - (i.e. to recruit people who can enter the Navy this fiscal year). In essence, we mortgage the future to meet current requirements.

Nuclear Officer Accessions. Nuclear Officer accessions continue to be one of the Navy's most difficult and challenging recruiting issues. Navy projects a need to increase its annual nuclear surface warfare officer accession goal three percent each year through the 1990s to man nuclear powered cruisers and aircraft carriers.

Recruiting these highly sought after officers is becoming more and more difficult. Navy is examining several initiatives to help solve this problem including a revised nuclear surface warfare officer career path and increased incentives for joining the nuclear community. The difficulty in recruiting nuclear officers is not a new problem.

Since the early 1960s, the recruiting shortfalls for nuclear submarine officers resulted in a very sea-intensive career path and an inability for most submarine officers to serve outside their community during their infrequent shore tours. This fact explains the very few numbers of nuclear officers who have been assigned to joint duty tours.

Through the 1970s and most of the 1980s, the Navy was successful in recruiting enough nuclear surface warfare officers (SWO) to man its nuclear powered cruisers and aircraft carriers. However, since FY-85, the Navy has fallen short of its nuclear officer accession goal by an average of 12 percent each year. The FY-89 forecast portends a similar shortfall, resulting in a very sea intensive career and a general inability of these officers to serve in professionally broadening assignments, including joint duty.

Medical Accession Issues

The area of greatest concern is in the recruiting of Health Service Professional officers.

Medical recruiting goals were met for general physicians and Medical Service Corps overall, but fell short in certain specialties, and were not achieved for the nurses, dentist specialists and physician specialists (90% of the physician goal). The goal in FY-89 is higher as the medical growth missed in FY-88 has been added to the FY-89 goal. The Navy is committed to growing health care communities, but this growth is complicated by the national nursing shortage and by our difficulty in recruiting and retaining the correct physician specialty mix.

Achieving necessary medical growth will require a two-fold attack involving both recruiting and retention. Significant initiatives underway include:

- Increasing medical department officer recruiters from 30 to 93.
- Establishing education accession programs for nurses.
- Increased retention bonuses for physicians.
- Strengthened graduate medical education programs
- Physician Assistant commissioning program
- Expanding the Physician Assistant program
- Increased Armed Forces Health Professions Scholarship

Program quotas, and active duty service obligation

* Full time out of service specialty training.

Nurse Candidate Program. The nationwide shortage of nurses has forced the Department of Defense to address aggressively the recruitment and retention of professional nurses. The reduced number of nursing students and the increasing number of nurses leaving hospital-based nursing are intensifying the competition for the military services to recruit and retain nurses. The Navy fell short of its FY-88 Nurse Corps recruiting goal by 141 (235/376) and is facing a goal of 416 in FY-89. Creative measures are required for the DoD to obtain a market share of nursing candidates.

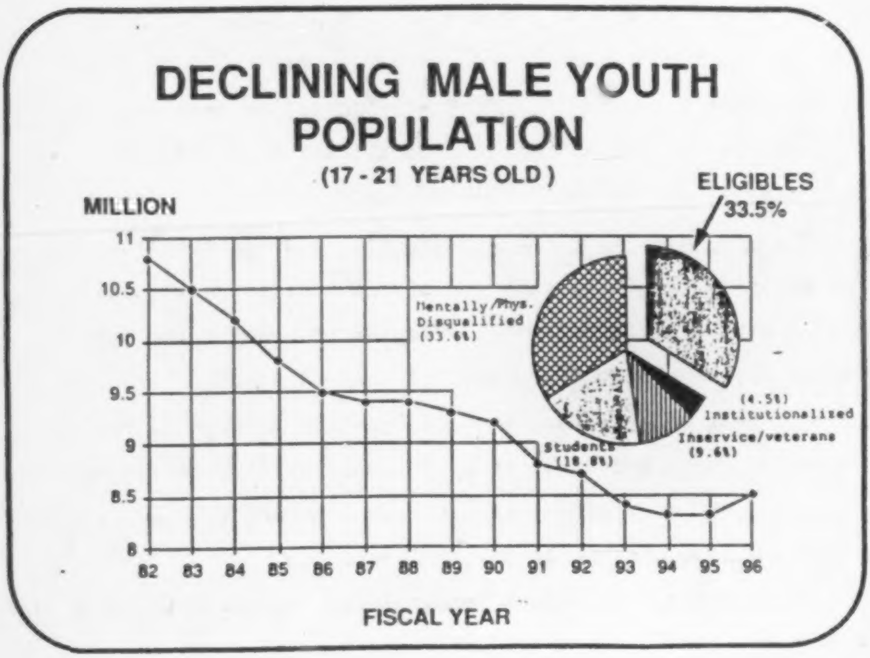
FY89/90 Recruiting Market/Resources. The increasing complexity of Navy's systems and of the maritime environment demands high quality personnel. Incidents such as the mass conflagrations on the USS STARK and the USS SAMUEL B. ROBERTS make it clear that today's Navy requires quality in depth. The gap between military and civilian sector wage growth combined with the declining pool of military eligible youths make this quality harder to achieve from the population at large.

In an attempt to reduce requirements, emphasis is being placed on changes we can make to reduce recruiting needs in the out years.

Only 33.5% of the 17 - 21 year old male youth population is eligible for military service (See Figure 2). A greater reliance on the recruitment of women can partially offset this decrease in the available male market. Despite the full assimilation of women within combat exclusion restrictions, however, recruiting in FY-90 will be increasingly difficult.

33.6%	Mentally and Physically Disqual
18.8%	Students (HS and College)
9.6%	Inservice or Vets
4.5%	Institutionalized
66.5%	Not Eligible

FIGURE 2



The Youth Attitude Tracking Surveys show that propensity of youth to join the Navy is declining relative to the other Services. Navy's advertising surveys show that potential enlistees see the Navy as a "low tech" service, offering limited training, and whose mission is not understood. Dispelling these misperceptions will take a sustained public awareness effort.

The FY-90/91 Navy Advertising programs are designed to highlight Navy as a potential and desirable employer for quality youth. This will be accomplished through a multi-media campaign targeted to the markets we need to recruit in, including medical, minority and nuclear. We must rebuild Navy's image and maintain it with a sustained level of Navy-specific advertising during the difficult recruiting years ahead.

In 1989 the Navy added 382 enlisted recruiters and 63 medical recruiters who should be in their assignments by fourth quarter FY-89. However, recruiters alone cannot break the present cycle of work force and direct ship recruiting. In constant dollars, our FY-90 budget restores FY-88 purchasing power for recruiting. This is essential to provide adequate support for recruiters in the field. In addition, Navy College Fund has been revamped to provide an incentive to attract high quality recruits for technical, sea intensive and medical ratings. The program provides for an eight year enlistment (4 active plus 4 IRR). Your support of this minimal cost program ($9.3M) is requested.

Enlistment Bonus. The Enlistment Bonus (EB) program is the most cost effective method of attracting high quality personnel into designated critical skills. Enlistment Bonus enhances accessions in ratings that are mission critical, have recruiting shortfalls, and are historically undermanned. Eighty percent of the more than 18 million dollar FY-90 EB budget is the means by which we will attract 5000 Nuclear Field accessions. EB enables us to obtain additional obligated service from the 6500 personnel entering with the specific intent of learning skills which require advanced technical training and provides for the technical Navy of the 1990's.

Navy Recruiting Study

One of our top priorities is to ensure that the Navy remains competitive in recruiting quality sailors during a time of high private sector employment and a declining recruitable youth population. To accomplish this priority we have formed a study group headed by VADM Joe Metcalf, U.S. Navy (Retired) to develop a long range plan for Navy Recruiting. One of the primary objectives is to determine the ideal organizational structure and manning requirements, top to bottom, for the Navy Recruiting Command. The plan will also address ways to maintain the Navy Recruiting Command on a solid footing from a budgetary, marketing, training and leadership standpoint.

RETENTION - "The Third Variable"

Enlisted Trends/Projections. One of our greatest and continuing challenges has been retaining quality personnel. As shown in Figure 3, we have continued to do well but have not achieved the high career retention rates of FY-83. Retention has slowly continued to decline since FY-84 due to a strong economic recovery and concurrent increases in civilian employment opportunities. Many of the large FY-84 accession base reenlistment eligible opted to pursue civilian employment.

FIGURE 3

ENLISTED RETENTION TRENDS FROM 1983 THROUGH DECEMBER FY-88

	FY-83	FY-84	FY-85	FY-86	FY-87	FY-88	GOAL FY-89
1st Term	55.7%	58.0%	54.6%	57.4%	55.2%	54.2%	58.5%
2nd Term	65.4%	64.4%	63.9%	64.1%	61.2%	61.1%	63.8%
3rd Term	96.6%	94.9%	93.4%	93.6%	92.4%	92.0%	92.2%

Selective Reenlistment Bonus (SRB). As in past years, the FY-90 SRB budget is targeted to those skills where we have a significant retention problem and where training and replacement costs are high. On the average, each dollar invested in SRB offsets two and one half dollars in future training and replacement costs. SRB is the one program which can be utilized to target those critical skills most in demand in the civilian sector. As long as the strong civilian economic climate and increased employment opportunities continue to attract Navy personnel who no longer desire to face the hardship of sea duty, SRB will continue to be a primary retention incentive.

Officer Trends/Projections. Retention of surface, aviation and medical officers experienced modest declines in FY-88. Figure (4) displays cumulative continuation rates and FY-89 goals for selected officer communities. Our retention concerns focus around officers who are the most difficult to replace due to their high training costs: pilots, nuclear trained officers, and physician specialists. The Medical Officer Retention Bonus, Nuclear Continuation Bonus, and Aviation Continuation Pay are both powerful tools to efficiently target shortages and which allow us to effectively address retention problems in those communities. Continued congressional support for these bonus programs is critical if FY-89 retention improvements are to be realized.

Additionally, the Navy continues to address job satisfaction factors such as the quantity/quality of flight time for aviators, increased professional technical and administrative support for physicians, and Personnel Tempo policy (i.e., time spent away from homeport). The fact that pilots, nuclear trained officers and Medical Corps officers receive expansive and exceptional professional training in their respective fields, makes them a sought after resource in civilian industry. Only through a combination of a strong compensation and improved quality of life packages can we effectively compete with a strong civilian sector for these sought after officers.

FIGURE 4

OFFICER RETENTION (Note 1)

CUMULATIVE CONTINUATION RATES (CCR)

3 TO 12 YEARS OF SERVICE

	FY-85	FY-86	FY-87	FY-88	Goal FY-89
Surface	32%	26%	32%	30%	41%
Pilot	29%	28%	31%	29%	41%
NFO	54%	51%	56%	55%	43%
Nuclear Submarine	35%	26%	29%	29%	37%
General URL	26%	25%	25%	29%	31%
Medical Corps	33%	46%	38%	36%	42%

Note 1: CCR retention rates are a probability statement that personnel with 3 through 12 years service will remain on active duty. The table reflects the percent of expected retention of officers in this "window" during each fiscal year.

Pilot Retention/Inventory SITREP. One of our greatest challenges is the retention of our highly skilled pilots. Commercial airlines are recruiting military aviators aggressively. A small retention decrease in FY-88 increased lieutenant and lieutenant commander shortages to over 1500 officers, primarily in tactical carrier aviation and land based aviation communities. The Navy has compensated for this shortage by further decreasing the number of pilots filling staff billets ashore. Additionally, fewer pilots are receiving post-graduate education and instead are assigned from sea duty to high-tempo shore assignments at training commands and Fleet Readiness Squadrons. While this is the most efficient way to utilize our limited pilot resources, this policy limits both the officer and the Navy. Many critical staff and joint duty assignments normally filled by pilots will be filled by officers without the valuable aviation experience and background desired. For the pilot the net result is a loss of flexibility in meeting his or her varied career goals. This fact is not lost on them and becomes a retention detractor, further exacerbating the pilot retention problem.

The Navy continues to meet these challenges with new programs and enhancement of existing proven retention incentives. Stabilizing operational tempo, improving liberty ports, reducing administrative paperwork and maximizing quality flying time are all measures used to help keep our pilots in the service. While important, these efforts alone do not generally compete successfully with the pay and stability (family and geographic) offered in the civilian sector, especially within the airline industry.

Airline deregulation set into motion the rapid expansion of the industry and an unprecedented demand for trained pilots. The airlines have become more aggressive and less restrictive in recruiting new pilot hires (see Figure 5). Age, vision standards, flight hour experience and college degree requirements are either relaxed or waived. According to sources at Future Aviation Professionals of America (FAPA), an ex-military jet pilot has no difficulty finding employment at any major airline. While not all pilots leaving the service work for the airlines, this ready job market makes the switch from the military to the civilian sector less risky and offers the prospect of ready employment.

FIGURE 5

AIRLINE HIRING TRENDS

CY	HIRES	EX-MILITARY	% MILITARY
1980	837	695	83%
1981	1330	944	71%
1982	843	590	70%
1983	2186	1301	60%
1984	5137	2054	40%
1985	7904	3700	47%
1986	6787	3007	44%
1987	7165	2867	40%
1988	6683	UNK	UNK

Aviation Continuation Pay (ACP).

Pursuant to proposals made by the DoD, Congress authorized changes to the Aviation Officer Continuation Program. The legislation continued the Aviation Officer Continuation Pay (AOCP) program at the $4,000 or $6,000 annual payment level until 31 December 1988. The legislation also provided for ACP bonuses of up to $12,000 for each year covered by an aviator's agreement to remain on active duty to complete 14 years of commissioned service; or up to $6,000 for each year covered by a 1 or 2 year agreement.

Reports required by the Act were prepared and submitted. The ACP Implementation Plan described the manner in which the bonus authority will be used in FY 1989. It was submitted to the Congress on November 15, 1988. A more comprehensive report, the DoD Aviation Retention Study was submitted on December 1st. It included analyses of aviator requirements and inventory, management policies appropriate in responding to anticipated shortages, and proposed monetary incentives.

The study clearly shows that the Navy has a serious shortage of experienced pilots and that without the application of monetary incentives this shortage will worsen. It further confirms Navy's experience with AOCP that a retention bonus is the most efficient monetary incentive to improve retention of aviators. The Navy projects that the FY-89 ACP enhancements will secure 660 pilot contracts, which results in 58 more per year group than AOCP was projected to secure. The study also indicated a potential requirement for amounts in excess of the $12,000 per year maximum authorized by the current law to successfully address pilot retention needs in certain critical mission categories. It further indicated a potential requirement to pay bonuses for service beyond the 14-year limit under the current statute. To ensure the

Department of Defense could react to such requirements should they arise, the report recommended changes that would provide: (1) discretionary authority to pay annual bonuses of up to $20,000 and (2) discretionary authority to extend bonus eligibility through the 18th year of service. The report indicated that actual experience will guide future implementation beyond current plans to pay bonuses of up to $12,000/year through 14 years of service.

Nuclear Officer Retention/Inventory SITREP. One of the most serious officer manning problems facing Navy is the shortage of senior, experienced nuclear trained officers. There is currently an inventory shortage of 568 (30%) out of a requirement for 1919 nuclear trained submarine officers in the ranks of Lieutenant Commander through Captain. These officers are required at sea as commanding officers, executive officers and department heads, as well as for key fleet support billets ashore. The Navy has reason for guarded optimism, however, in this critical manning area. In FY-88, the Navy retained 45 percent of the nuclear trained submarine lieutenants passing through their minimum service requirement window. While retention of 55 percent of this group was needed to provide enough submarine department heads to support the desired submarine officer career path, 45 percent represents a 6 percent increase from the previous year and reverses a 2 year downward trend in retaining this highly sought after group of officers. With this improved retention we anticipate being able to reduce the nuclear submarine officer shortage to 15 percent of requirements by FY-97.

Nuclear Officer Incentive Pay. Nuclear Officer Incentive Pay (NOIP) is a vital tool needed to correct the long term shortage of nuclear trained officers. NOIP allows us to maximize both officer accessions and retention by providing an accession bonus for new selectees to nuclear propulsion training and a career bonus to those officers who remain on active duty past their minimum service requirement. The increase in the NOIP Continuation Pay (COPAY) contract level from $9K to $10K (authorized ceiling $12K) in December 1987 was a major factor leading to the increase in retention of submarine lieutenants in FY-88. The current authority for NOIP expires on 30 September 1990. We are asking the Congress to grant a five year extension of the current NOIP authorization.

Spot Promotions. Because of the shortage of experienced, engineering trained officers needed to meet validated requirements, Navy, under temporary authority, continues to assign some exceptional lieutenants to certain essential lieutenant commander engineering billets. This shortage is most acute in the nuclear trained officer communities, but SPOT promotion is also required in the conventional surface warfare officer community. The Navy recognized the increased responsibility entrusted to these select officers by temporarily (SPOT) promoting them to lieutenant commander. An officer loses his SPOT promotion status when he leaves the qualifying billet. The SPOT promotion is a significant incentive and retention tool for motivating the Navy's best officers to seek these particularly difficult assignments.

The Navy has reviewed several alternatives to SPOT promotion, such as the use of additional special bonuses or forming a new specialized group of officers to man our toughest engineering assignments. Each of these alternatives is more costly and less attractive from a personnel management standpoint than SPOT promotion. SPOT promotion is a virtual no cost management tool in that all promotions occur within statutory grade ceiling and it is only used when needed. The current authority for SPOT Promotion expires 30 September 1989. Because of the long term nature of the nuclear officer shortfall, DoD is considering legislation for the enactment of permanent SPOT promotion authority for these officers.

Medical Profession Officer SITREP

Blue Ribbon Panel Recommendations. Efforts to improve the quality and responsiveness of Navy medicine reflect its importance relative to top readiness, quality of life and retention. A Department of the Navy Medical Blue Ribbon Panel convened in May 1988 to recommend actions that would improve access to Navy military treatment facilities for all beneficiaries, decrease the Civilian Health and Medical Program of the United States (CHAMPUS) bill, and revitalize Graduate Medical Education. The Panel's Manpower, Personnel and Training task force completed a detailed manpower assessment, and more than 70 specific action items are being implemented in the areas of medical recruiting, compensation, retention, training, leadership and force management. Aggressive actions (which are discussed later in greater detail) are underway to improve medical recruiting and retention. Competitive compensation plays a vital role in these areas, but much can be done to make more effective and efficient use of medical resources currently available. There has been extremely close coordination between the Department of the Navy personnel and medical staffs to implement the varied provisions of the Blue Ribbon Panel report as quickly as possible, and progress is being made in numerous critical areas.

Medical Officer Retention Bonus. The Navy has a continuing need to retain adequate numbers of high quality Medical Corps officers to support the increasing demand for medical care access from active duty, dependents, and retirees. The FY-89 Medical Officer Retention Bonus was developed as a stop-gap measure to retain unobligated, specialty trained physicians until legislation for a new physician compensation plan, designed to attract and retain physicians on active duty, could be developed.

The Medical Officer Retention Bonus has been targeted toward the physician groups with the largest pay differential between military and civilian net income. These are the groups where, in general, the greatest personnel shortages occur. Physicians in primary care specialties (Internal Medicine, Pediatrics, Psychiatry, Pathology, Neurology, Family Practice, Occupational and Preventive Medicine, Aerospace and Undersea Medicine) where differentials from the civilian sector are less are currently not offered a bonus, in the FY-89 implementation plan.

The FY-89 Medical Officer Retention Bonus will help close the military-civilian physician pay gap in some specialties. It will also convey a signal to Navy physicians that the Navy and Congress are committed to improving conditions in military medicine.

However, we still need additional long-term modifications to the medical officer compensation system to ensure the Navy maintains the ability to provide quality health care. In devising a new medical compensation program for FY-90 and out, a study group looked closely at the successful 1980 legislation, current peacetime and wartime requirements, medical officer retention trends, compensation levels for civilian physicians, and environmental factors affecting military physicians' stay/leave decisions, and is developing legislative proposals.

Attrition Study. "A" schools are the largest source of attrition in enlisted specialized skill training. The Navy has recently identified 15 "A" school pipelines which account for almost 40 percent of total "A" school attrition. We have scheduled ongoing analysis of the pipelines through May 1989, with final corrective actions to be completed by the end of FY-89. Attrition of first term enlisted personnel prior to completion of their initial enlistment represents a significant burden on Navy's manpower system. The projected shrinkage in the recruiting pool over the coming years makes it mandatory to reduce these unprogrammed losses to acceptable levels. Many programs are now underway with a number of others awaiting implementation to deal with the problem. A First Term Attrition Task Force has been formed to examine the causes and to reduce attrition. The aim is to better manage the attrition problem, including upgrading recruiting station facilities leadership training for recruiters, improved screening criteria and pipeline training, and better fleet indoctrination to ensure that each new recruit gets off on the right foot. The reasons sailors leave the Navy early are being examined closely to see where Navy-wide and command level programs are not working as intended. We will make whatever policy changes are prudent and necessary to reduce first term attrition and preserve combat readiness.

RESERVE FORCES

Reserve End Strength. The Naval Reserve FY-90 end strength request is for 153,200, an increase of 600 over FY-89, and 153,800 in FY-91, an increase of 600 over FY-90. This includes 22,320 full-time active duty reservists in FY-90 and 22,595 in FY-91. This is the minimum number of personnel necessary for the Naval Reserve to fulfill its expanding role, to man new ships, aircraft squadrons, mine countermeasures support, and medical support programs.

SELRES - Officer/Enlisted. Manning requirements in Naval Reserve Force ships, reserve aircraft squadrons and other programs are increasing. During FY-90, there is an increase of 271 drilling reservists for medical programs.

Full Time Support - Officer/Enlisted. In FY-90 there is a growth of 329 Full-Time Support (FTS) active duty reservists, and in FY-91 an additional growth of 275. These are Training and Administration of Reserve (TAR) personnel programmed to support the Naval Reserve force ships and Shore Intermediate Maintenance activities. FTS personnel are a necessary requirement within the Navy Reserve force for several reasons. The number of Selected Reservists who require training and administration has grown by over 50 percent in the past eight years. The number and level of skills needed by individual reservists has increased as a result of increasingly complex fleet equipment and due to training initiatives which have more accurately defined skill requirements. This in turn has necessitated that drilling reservists spend the maximum amount of time in training, and that FTS personnel assume nearly all drill unit administrative functions and provide more training during drills than in the past.

Additionally, the growth of 329 requested in FY-90 is for FTS/TAR personnel required to support the proposed transfer of two NRF/FFG Frigates, one LST, and one MCM-1 class mine counter-measure ship into the reserve surface inventory. Figure 6 summarizes our Reserve Force end strength:

FIGURE 6

RESERVE FORCE END STRENGTH

	FY-89	FY-90	FY-91
Paid Drilling Reservists - Total	130,609	130,880	131,205
- Officer	26,796	27,096	27,396
- Enlisted	103,813	103,784	103,809
Full-Time Support - Total	21,991	22,320	22,595
- TAR Officer	1,885	1,903	1,915
- TAR Enlisted	18,396	18,707	18,970
- Sect. 265 Officers	233	233	233
- ADSW Officers (Recruiters)	185	185	185
- ADSW Enlisted (Recruiters)	1,292	1,292	1,292
Total End Strength in Paid Status	152,600	153,200	153,800

NRF Improvements FY-88/90

Surface and Air. The strong support for Naval Reserve programs by Congress, the Secretaries of Defense and Navy, and the Chief of Naval Operations is clearly justified. With more than 50 aircraft squadrons and one out of every 12 Navy ships by the 1990's, the Naval Reserve will rank among the largest Naval forces in the world. Naval Reserve ships and aircraft are being modernized at an accelerated pace, improving Reserve warfighting capabilities and equipment compatibility with the active components of the Navy. Naval Reserve ships coming into the Reserve force are shown in the Total Force Report provided annually to the Congress.

Naval Reserve Force (NRF) ships are generally manned at a level equivalent to approximately sixty percent active duty personnel and forty percent inactive duty Naval Reservists. The sixty percent active duty personnel is further broken down into half regular Navy and half Full Time Support (FTS/TAR) personnel. Full Time Support and regular Navy personnel manning levels are satisfactory, including those collocated at maintenance facilities to assist in Naval Reserve Force routine daily maintenance. The Selected Reserve (SELRES) manning levels average 80%. Naval Reserve Force ship readiness levels are on par with active ships and, with few exceptions, are configured with the same equipment.

The Naval Air Reserve consists of 52 aircraft squadrons which mobilize to the CINCs. Squadron augment units train in RESFORON, FRS, and fleet squadron aircraft and mobilize to fleet squadrons. Naval Reserve Force squadron composition is contained in the Total Force Report provided annually to the Congress.

CIVILIAN MANPOWER

Strength Issues. Navy's civilian work force continues to be an essential element of the Total Force structure. Most civilians are employed in activities which directly influence our readiness posture. About half of the work force is at Industrial Fund activities, most of which perform depot level maintenance and repair of ships, aircraft and associated equipment. Civilians employed at Operation and Maintenance activities such as supply centers, ship repair facilities, and fleet air stations also contribute directly to operational readiness. Other civilians provide essential support in such functional areas as medical, training, and the engineering, development and acquisition of weapons systems. All these areas have an impact on readiness.

Navy civilian manpower estimates have been structured to assure responsible execution of the Department's programs in the context of a constrained fiscal environment. The estimates reflect a decrease of over 5,700 in FY-90 and an additional decline of 1,500 in FY-91. Our current Navy civilian end strength estimates are 323,669 in FY-89, 317,919 in FY-90 and 316,400 in FY-91. The estimates incorporate reductions of 3,200 in FY-90 and 1,700 in FY-91 for savings anticipated as a result of commercial activities studies to be performed in accordance with OMB Circular A-76.

Additional workload savings are anticipated from changes at our industrial depot maintenance activities, shipyards, ordnance activities and aviation depots. The budget provides additions of 700 end strength in FY-90 and 800 in FY-91 to support homeporting and the new TRIDENT base at Kings Bay, Georgia. Additionally, increases of 700 civilians in FY-90 plus another 700 in FY-91 are programmed, for conversion of some contracted advisory and assistance services to in-house support to reduce the risk of disclosure of sensitive procurement documentation. Examinations by the Naval Investigative Service and the Navy Inspector General show that the current level of contractor involvement in the acquisition process represents an unacceptable risk to the integrity of the process.

During FY-89, we will continue to responsibly manage civilian employment as a resource linked to program, using the flexibility provided by congress in waiving the statutory endstrength ceiling. Our "Manage to Payroll" program has proven an effective tool for executing the approved budget and, where deviations from the original plan are necessary, it provides an explanation and justification on a programmatic basis.

Manpower Requirements Determination at the Systems Commands (SYSCOMS). The Navy has recently re-evaluated the use of contractual assistance to perform basic governmental functions during the acquisition process and has decided that conversion of such support to in-house performance is essential to maintain the integrity of the competitive process and can be accomplished within current budgeted Contract Advisory and Assistance Service (CAAS) resources, with no increase in cost. Conversion reflects a realignment of funding and cumulative increased civilian end strength of 238 in FY-89, 975 in FY-90, and 1,719 in FY-91.

In support of the above initiatives, the acquisition commands are determining their manpower requirements/resource mix and realigning internal organizational structures, via the efficiency review (ER) process. This zero-based process performs in-depth organizational analyses to improve methods of operations and establishes manpower requirements based upon the most efficient methods of performing assigned taskings.

Reconversion of Trainer Aircraft Maintenance Support. In FY-89, the House Armed Services Committee recommended that organizational or intermediate level maintenance functions for trainer aircraft which have been converted to contract since 1 January 1985 be converted back to performance by active duty military personnel. From 1978 through 1989, Navy will have effected almost 4,600 conversions (1,900 since 1 January 1985) from military to civilian contracts for trainer aircraft maintenance. This has allowed us to dedicate manpower with vital aviation maintenance skills to fleet duties supporting a growing force structure. We continue to oppose this type of legislative provision which would drain fleet manpower and require that maintenance personnel be retrained to maintain a variety of non-fleet aircraft.

Requirements Determination

Shore Requirements. The revised Shore Requirements Determination Process is on track and all milestones are being met. Authority and responsibilities are assigned, implementing directives issued, and training of analysts has begun. A five year schedule has been completed and resources allocated by the major manpower claimants to conduct Efficiency Reviews (ER's). Claimants have commenced their initial ER studies. By the end of FY-90, 20% of the shore population will be covered by ER's. By the end of FY-94, all shore, civilian and military manpower requirements will be validated.

Ship/Squadron Manpower Document Validation (SMD/SQMD). The Navy's SMD/SQMD programs were audited in March 1986 and May 1987, respectively, by the General Accounting Office, which examined all of the Navy's fleet manpower requirements determination processes. The DoD Inspector General agreed that Navy's corrective actions on

GAO Report NSIAD-86-49 (Ship Manpower Document Program) had been institutionalized within the program. The SMD program audit follow-up was closed by the DoD Inspector General on 14 May 1987 and 55% percent of the one remaining SMD action item (workload accuracy revalidation) recommended in the GAO audit has been completed. The remaining workload accuracy revalidations will be completed by September 1991.

In October 1987, the Squadron Ground Officer Staffing Guide was approved in response to recommendations made in the May 1987 GAO Report NSIAD-87-101 (Squadron Manpower Document Program). We have placed existing Aircraft Squadron Staffing standards on a triannual review cycle which is another positive action taken to implement the GAO recommendations. Thirty-seven percent of the one remaining SQMD action item (workload accuracy revalidation) has been completed. The remaining workload accuracy validations will be completed by September 1991.

Our actions to enhance the validity and currency of the SMD/SQMD programs have improved the standards application process and help to ensure that the Navy continues to use credible systems for determining fleet manpower requirements.

Manpower Research and Development. The Navy's research program is developing new technology to design effective man-in-the-loop systems. Computerized Psychomotor skill assessment has shown promise toward improvement of our assignment procedures. We expect the interactive nature of computer based training with enhanced graphics to provide training realism while vastly improving training assessability on-board ships, at pierside and at remote sites as well as for reserves around the country. We are working on techniques to simulate and integrate state of the art sensors in our training devices. Early man-in-the-loop prototyping of system designs is expected to yield hardware systems with greatly enhanced overall combat effectiveness. Continued support is necessary to ensure we develop and utilize advanced technology, especially where potential for cost savings exist.

Permanent Change of Station Program. Among the unpalatable but necessary actions we took in FY-88 in order to stay within our MPN budget was the delay in permanent change of station moves by two to four months for a large number of our sailors. The FY-89 program is adequately funded, and we can execute all required moves within the funding appropriated. The FY-90/91 move programs are based on an analysis of move requirements. These requirements represent the minimum number of moves necessary to support the programmed force and provide for the orderly worldwide manning of the fleet. Our requirements also reflect a 14.9 percent decrease in our operational, rotational, and training (O/R/T) moves since FY-86. This reduction is the result of numerous policy changes which have been implemented over the past five years.

The requirements determination process represents the first analysis of our O/R/T move program in which we have a high degree of confidence. Although the analysis methodology is presently constrained to the short-term, we are completing development of a model for longer-term projections.

The Navy instituted all of the policy changes identified in the FY-86 DoD PCS Study and all of the overseas tour length changes identified in the October 1986 DoD Report to Congress. We have also instituted numerous Navy-specific management actions to reduce O/R/T requirements. These policy actions include maximizing the number of no-cost and low-cost moves, standardizing the assignment of enlisted sea/shore rotation dates and officer career progression tour lengths, and encouraging members to serve consecutive tours overseas.

As a result of our aggressive actions, the average tour length has increased by more than 20 percent since FY-86 to about 50 months. The Navy cannot support any additional funding, policy or procedural changes which will further increase this average tour length. Any additional changes will require us to trade longer tours at sea for PCS dollar savings. This will result in a negative impact on morale and retention because of increased family separations. (Family separation remains the most frequently cited reason career sailors leave the service). This, in turn, will result in our most talented and experienced personnel leaving the Navy -- thereby reducing our overall readiness.

Progress in implementing Goldwater-Nichols Joint Officer Management. During FY-88, the Navy made substantial progress toward full compliance with Title IV of the Goldwater-Nichols DoD Reorganization Act of 1986. The Navy's first Joint Specialty Officers (JSO) have been designated, joint tour length averages are increasing and are in compliance with Title IV (as revised by the FY-89 Authorization Act), the Joint Duty Assignment List (JDAL) fill rate is higher than the legal minimum, and Critical joint billet assignments are improving steadily with time. Promotion statistics within the joint arena will continue to show improvement as the present officer assignment practices under the provisions of Goldwater-Nichols bear fruit. Promotion rates are expected to improve further as future selection boards consider those officers assigned after the implementation of Title IV provisions.

Specific examples of the Navy's progress toward full compliance include:

* Three JSO selection boards during FY-87 and FY-88, which identified 2880 Joint Specialty Officers.
* Average tour lengths for all officers who were reassigned from joint duty assignments in FY-88 was 38.8 months, which is greater than the 36 month tour average required under the FY-89 provisions of the law.
* The Navy filled 53.5% of the Navy Joint Duty Assignment List (JDAL) billets with Joint Specialty Officers (JSO) or Joint Specialty Officer Nominees (JSO NOM), exceeding the mandated 50% fill requirement.
* The Navy increased the JSO assignments to critical billets from 22.8% to 56.7% by year end. Although this falls short of the original Title IV required 100% fill of joint critical billets by Joint Specialty Officers, the FY-89 Authorization Act now permits transfers to occur at the incumbents' normal rotation date.
* The Navy exceeded by almost 10% the requirement to assign greater than 50% of JPME graduates directly to joint duty assignments.

Naval officers now being assigned to student billets at National Defense University (NDU), as well as those assigned to the Joint Staff, are true front runners either screened for or possessing the proven potential to screen for command. Assignment initiatives such as these reflect not only the high caliber of officers being assigned to joint duty tours, but also the emphasis and importance the Navy is placing on joint service.

PERSONNEL READINESS INDICATORS AND TRENDS

Personnel Readiness. Navy personnel readiness declined slightly in FY-88 compared to the upward trend which has existed since 1982. Although aviation personnel readiness improved due to an increase in first tour pilots and the stand-down of Carrier Air Wing TEN, personnel readiness overall decreased during this fiscal year. The primary factors associated with this decline were the funding constraints that forced enactment of the voluntary and involuntary Early Release Programs. Of those eligible during the period of the Early Release Programs, over 14,700 personnel were separated early. These early release programs were directly responsible for the drop in fleet unit personnel readiness. Fleet Commanders, in order to maintain minimum readiness requirements at sea, were forced to implement personnel cross-decking, Temporary Additional Duty (TEMADD) assistance, and personnel divert policies. These programs allowed most deployed units to remain in the C1/C2 category; however, continuity within individual fleet units was disrupted. The majority of affected units experienced a drop from C1 to C2, or from solid C2 to marginal C2. No deployed fleet units reported below the "safe to operate - ready for deployment" limit of C3.

The level of funding appropriated for FY-89, and full funding of our FY-90 MPN budget request, will permit us to execute our personnel programs without the need for such disruptive measures as were experienced last year.

Women in the Navy. The Navy has made considerable progress in expanding career opportunities for women during the past year. During FY-88 Navy continued to increase the number of women, achieving a total of 9.2 percent of enlisted end strength. This percentage will increase to 9.6 percent by the end of FY-91. The percentage of officers will grow from 10.1 percent in FY-88 to 10.6 percent by the end of FY-91.

The Navy has been aggressively implementing the recommendations from the 1987 Navy Report on the Study of Progress of Women in the Navy. Our progress at reducing and eliminating sexual harassment has been praised by the Defense Advisory Committee on Women in the Military Services. We continue to strive to resolve, and are making progress toward, many Quality of Life issues, including childcare, women's uniforms, women's recreation facilities, and habitability.

The Navy's most significant progress has been in career opportunity improvements for women. Eighty-four of the 102 enlisted ratings are now open to women. Eighteen ratings are closed to women because billets in these ratings are almost exclusively in combat ships and squadrons or because the small number of billets available outside combat units do not provide a viable career path. For the same reasons, two officer communities, Submarine Warfare and Special Warfare, are also closed to women.

Enlisted women have been placed on sea/shore rotation patterns similar to their male counterparts to increase their career opportunities. In most cases, our General Detail sailors may now freely choose the occupation they wish to strive for and compete for advancement, knowing in advance what the projected advancement opportunities will be. We continue to emphasize and women continue to seek careers in sea intensive skills. In FY-88, female attendance at "A" schools increased 11.3 percent, with attendance at sea intensive "A" schools increasing by 49.8 percent. FY-89 quotas for women attending "A" schools have been increased by 11.1 percent over FY-88.

Navy efforts have also been directed towards increasing opportunities of our female officers. Both the Surface Warfare and the Aviation Warfare communities have increased the number of women that will be able to join these warfare specialties. We have improved the career path opportunities for women already in each community, including the first female Surface Warfare Officer to be selected for command at sea. We have established formal screening boards for Restricted Line and Staff Corps Officers for positions of Commanding Officer and Officer-In-Charge, ensuring their opportunity to be selected for assignment to these critical leadership positions.

As the number of women in the Navy grows, so too will the number of women serving at sea. There were 5,469 enlisted women and 269 female officers serving on 65 ships and afloat staffs at the end of FY-88. By the end of FY-88 we had 183 female pilots (including trainees) and 81 Naval Flight Officers (including trainees). Title 10, U.S.C., Section 6015, prohibits permanent assignment of women to ships or aircraft engaged in combat missions. The Navy revised its combat mission definition in FY-89, and reevaluated those units previously closed to women. This resulted in the opening of 24 Combat Logistics Force ships, two Shore Based Air Reconnaissance Squadrons and two Underwater Construction Teams for the permanent assignment of women. By the end of FY-88, we had 55 women serving onboard five Combat Logistics Force ships, with these numbers projected to increase to 379 women serving onboard 15 Combat Logistics Force ships by the end of this year. In FY-88, women began training for assignment to the Shore Based Air Reconnaissance Squadrons, and will begin arriving this year.

Navy is committed to expanding career opportunities to the greatest possible degree. Both officer and enlisted women are assigned to non-combat ships and to aviation support and training squadrons. Additionally, women are assigned to support billets in sea duty aviation squadrons, such as land based anti-submarine patrol squadrons.

Equal Opportunity Study. In June 1988, the Chief of Naval Operations (CNO) convened a study group to conduct a thorough review of accessions, attrition and other personnel management policies to determine which of these policies do not adequately support improved opportunities for minorities in the Navy. The study group's work is complete and virtually all recommendations have been approved by the CNO and are being implemented on a priority basis. These include revising the Command Managed Equal Opportunity Program, rewriting of the Navy Affirmative Action Plan, increasing equal opportunity training for all officers and enlisted supervisors, expanding upward mobility programs for officer and enlisted accessions, reinforcing equal opportunity training within the fleet and ensuring that minorities have an equitable opportunity for assignments.

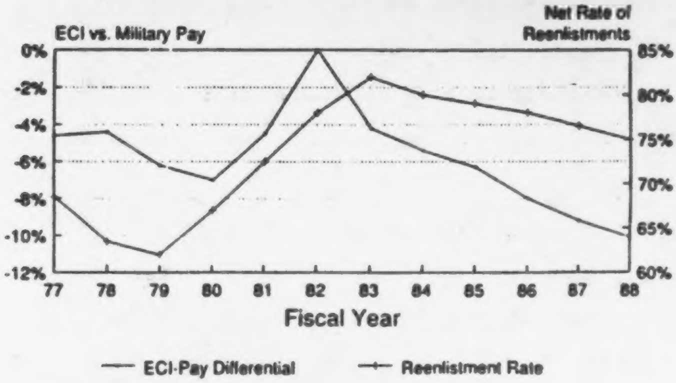
OSD Report on Manpower, Mobility, Sustainability and Readiness. Navy's input to this report emphasized that the FY-94 Manpower request of 599.4K is just one percent more than the 593.2K requested in FY-88. This modest increase reflects the absolute minimum amount of growth required to support our fleet expansion over the same period from 565 ships in FY-88 to 592 in FY-94. Active duty requirements have remained approximately 8 percent above authorizations (651.9K requirements versus 597.6K requested in FY-90) with mandated constraints bringing Navy to the limit of acceptable risk. Future manning priorities continue to emphasize ships, squadrons and medical activities. Reserve manpower posture has been stable since 1987 with minimal growth. In recent prior years (FY83-86) the reserve community has grown significantly to assume the requirements resulting from our transferring ships to the Naval Reserve. Presently, the NRF ships are 12 percent of all active Navy ships.

Navy's percentage of career personnel (people with greater than four years of service) has been relatively constant through the growth years and is projected to remain the same in the outyears. Experienced manpower is essential to operate and maintain Navy's sophisticated and highly technical weapon systems and to provide the training and supervision necessary to effectively develop adequate performance levels from our more junior personnel.

QUALITY OF LIFE ISSUES

Military Pay vs. ECI. One of the most important personnel issues confronting the Navy today is the large pay gap between military and civilian wage growth. Pay caps from FY-83 through FY-88 resulted in a disparity of 11 percent as measured by the Employment Cost Index. The FY-89 pay raise, which ended a six consecutive year trend in which the military pay raise was less than civilian wage growth, slightly narrowed the disparity to 10.1 percent. In FY-90, a minimum pay increase of 3.6 percent will not appreciably close the gap. Any further increase in the pay gap is likely to return us to the unhealthy recruiting and retention climate we suffered in the early 1980s, when large "catch up" pay raises were required to return to parity. Figure (7) below illustrates a direct correlation between military pay lag from the Employment Cost Index and retention rates of career DoD personnel. The DoD request for a 3.6 percent across the board pay raise is absolutely essential. It will help our sailors maintain their standard of living and prevent our best and brightest from seeking employment in the civilian sector.

FIGURE 7



MILITARY PAY LAGGING ECI
And Its Effect on Enlisted Retention

2nd and 3rd Term Reenlistments, all DOD

GAO Review on Adequacy and Timeliness of Overseas Station Allowances. During the past year the Navy has been working closely with GAO in their review of the adequacy and timeliness of the overseas housing allowance (OHA) and cost of living allowance (COLA) programs. We have been providing feedback as necessary, as well as having personnel in the European and Pacific theaters available for surveys and discussion with the auditors. The GAO findings, together with any recommendations for change, will be provided to the Committees on Armed Services of the Senate and House of Representatives.

Family Housing Allowance. The Senate Armed Services Committee Report on the FY-89 DOD Authorization Act requires that the Defense Department submit a comprehensive legislative proposal that provides for an equitable housing allowance system for all personnel. In fulfillment of the congressional requirement, the Navy is participating in a joint services study group established to analyze the military housing allowance system. Upon completion of the study this summer, appropriate legislation, as needed, will be considered.

Foreign Currency Fluctuation Account. Congress considered appropriation language last year which would have provided authority to apply assets from the Foreign Currency Fluctuations, Defense Fund to the military personnel appropriations. Such language is necessary to prevent taxing already tight military personnel accounts. This language would serve a mutual interest by obviating the need for continued future supplemental requests.

Variable Housing Allowance (VHA) Funding. The VHA program has not fully met its intended purpose for a number of years. The program was revised in 1985, had funds cut from it in both 1987 and 1988, and had ceilings imposed for 1988 and 1989. The ceilings caused VHA rates to be artificially set at levels lower than provided for in the authorizing statute (37 U.S.C. 403a), thereby depriving our personnel of essential housing dollars. The result is that our personnel are frequently forced to accept undesirable housing or live apart from their families. Rental housing costs are going up faster than BAQ and VHA, and this is particularly true in the high cost areas of fleet concentration. The Navy strongly urges that the program ceiling be eliminated and that VHA dollar growth be allowed to coincide with housing cost changes, in accordance with provisions of U.S.C. 403a.

Extended Funding of Dependent Student Travel. The Dependent Student Travel program provides a once a year round trip for student dependents of personnel overseas to get them to/from the overseas duty station and school in the United States. The FY-88 and FY-89 DOD Appropriations Act reduced funds available for the program by approximately one-half. This funding reduction was prompted by the committees desire to eliminate funding for in-country travel segments for student travelers from the member's duty station to the airport, and from the international airport of arrival in the United States to the school and vice-versa. Elimination of these travel benefits places an additional financial burden on our members stationed overseas. Full benefits should be restored.

Legislation is under consideration which would expand dependent student travel to include travel to and from Alaska and Hawaii. Without expansion of this travel program, members serving in Alaska and Hawaii are forced to rely on limited space available travel and pay all associated commercial air costs. Many members find themselves unable to pay for both school expenses and travel costs. For these families, the only available option is to endure family separation for the duration of the member's overseas tour. Dependent student travel to Alaska and Hawaii should be expanded.

Expanding Definition of Dependents. Application of current law limits the payment of travel and transportation allowances to spouses and natural or adopted children. This prevents reimbursement to a service member for the travel expenses of a child, in the legal custody of the member but not adopted, when permanent change of station is directed. It has been necessary to explain to a member who has custody of a grandchild that the government will only pay for the child's transportation if the member adopts his own grandchild. Review of this inequitable situation is urged.

Sixth Quadrennial Review of Military Compensation (QRMC). Navy has reviewed and evaluated the recommendation of the QRMC and worked closely with the other services and the Department of Defense in the development of these recommendations. The report is now being coordinated with other interested agencies prior to presentation to the Congress.

HUMAN RESOURCES

Personal Excellence Program. Navy's Personal Excellence Program aims at: (1) helping Navy members improve their education, physical readiness, and personal values, thereby building a smarter, fitter, and more professional fighting force; and (2) developing partnerships with local communities to strengthen the education, health/fitness, and citizenship of young people, thus increasing the number prepared for entry into the nation's future work force. The Program's internal component provides an integrating framework for a variety of discreet incentives to stimulate our sailors' excellence. Examples include

Tuition Assistance to support continuing education, the Health and Physical Readiness Program, and our "Core Values" initiative to promote integrity, professionalism, and Sea Service traditions. Our external effort focuses on the country's youth through Personal Excellence Partnerships which help young people prepare for their future through a "whole person" approach to education, health, fitness, and citizenship. A typical partnership is the "Adopt-A-School" arrangement in which Navy volunteers take part in activities such as academic tutoring, "fun runs", and school beautification projects. Such partnerships, along with the internal Navy efforts, will help chart a course toward personal excellence for all Americans.

NAVY HOUSING PROGRAM

Family Housing Request. The Navy budget request reflects a significant increase in the maintenance account. This increase of over 60 million dollars will be used to reduce the existing backlog of maintenance which has steadily grown over the years. The current backlog of maintenance is over 700 million dollars, which equates to over $10,000 per unit. Navy goal is to reduce this backlog to $2,000 per unit. To accomplish this goal Navy has reduced its New Construction MILCON in favor of repairing existing units.

In response to specific Congressional interest, the Navy is working closely with local school districts to identify the impact of any additional student input based on family housing projects. Coordination is accomplished in conjunction with environmental documentation required by law.

Adequate family housing is critical to the retention of a quality force. Revival of the Capehart Program, where reductions in member BAQ and VHA payments will cover the mortgage payments and provide more cost effective use of limited resources, is strongly supported. This action will enable Navy to make progress in decreasing the existing 20,000 unit housing deficit.

Bachelor Quarters. In another very important QOL area, Bachelor Quarters, we have increased our MILCON request significantly over 1989. Our FY-90 budget request is for $123 million, which will build 3868 spaces, and in FY-91, $121M for 3749 spaces. These are roughly double the dollar amount of the FY-89 program, and are a significant step towards reducing the 89,000 deficit of bachelor living quarters that now exists.

Morale, Welfare and Recreation Programs. Navy is actively adjusting its Morale, Welfare and Recreation (MWR) operations and funding approaches to make it more businesslike and customer responsive. Reprogramming of appropriated funds to MWR mission support and community activities is underway. Navy is anticipating a favorable Congressional decision on isolated/remote designations for certain bases. Retention of the appropriated fund reimbursement procedure beyond 1 October 1990 is requested. Retaining this procedure costs nothing, and allows MWR to retain a single personnel system that optimizes upward mobility and career progression for our employees. I also ask that the appropriated funding cap, in effect since FY-87, be removed. We have realigned MWR funding categories as directed and have appropriated support of revenue generators under control. Continuation of the cap is inhibiting increased funding in our mission support and community activities like child care and fitness programs.

Child Development Programs. There are over 29,000 Navy families with parents working that have children under the age of 5. The 113 Navy Child Development Centers and 65 certified Family Home Care monitors currently permit care of 15,000 children. We are actively pursuing such varied approaches as additional facilities, expanded Family Home Care, and institution of an information and referral service, to help meet the balance of the Navy's overall child care needs.

The program emphasizes quality in operating standards, staff training, personnel qualifications, and employee screening. To overcome difficulties in recruiting and retaining trained personnel, we are establishing more full time positions, working toward higher salaries, and establishing career ladders for caregivers. We have 25 centers programmed for military construction funding through FY-94. We will be programming other centers beyond FY-94. We ask for continued support of these military construction requirements.

Naval Home. The Naval Home in Gulfport, Mississippi forms an integral part of the Navy's commitment to take care of our own. Through cost saving initiatives such as contracting out of food and laundry services, the cost to care for each resident has remained nearly constant since 1980. As a Navy shore command, the Naval Home is subject to chain of command inspections and oversight, and strict accountability of its resources. Mandated management policy changes which could destroy the unique naval character and traditions of the Naval Home should be avoided.

TRAINING AND EDUCATION

Training Issues

Safety of Navy Training. As a result of the death of Airman Lee Mirecki while undergoing Rescue Swimmer Training at NAS Pensacola, the Wisconsin Congressional Delegation asked the GAO to review Navy training safety. Their study looked into the corrective action taken by the Navy; the adequacy of the investigation conducted by the Navy following the Mirecki incident; and whether safety problems were present in other Navy training deaths that occurred since January 1986. The GAO review is ongoing with a final report anticipated in March 1989.

The Navy took the following actions to enhance safety in training following the Mirecki incident:

* Provided more comprehensive, standardized guidance regarding "drop on requests" and "training time outs" and mandated regular safety stand downs for high risk courses.
* Established more disciplined standards for the review and evaluation of curricula and actual instruction to ensure safety.
* Reaffirmed the importance of proper manning levels and quality instructors, training support personnel, and managers.
* Improved medical screening procedures.
* Improved management and safety of training equipment.

Management of Training.

Sequenced Training Plans. The goal of a sequenced training plan is to levelize training throughout an individual's career. The plan ensures that the right material is taught at the right time through the best instructional method. The training requirements are determined by fleet experts and presented in a single-source catalogue. Through these training plans we are weeding out unnecessary or redundant material and thereby improving training efficiency.

We have completed three warfare mission training plans and are nearing completion on two others. We have also initiated development of a Damage Control Training Plan and our first training plan for an Enlisted Rating (Operations Specialist). Each of these plans is a product of, by and for the fleet. For that reason we believe these plans will continue to offer solid improvement in our overall readiness and our tactical warfighting capabilities.

The process is new and still evolving. Implementation costs can not yet be estimated with certainty. We can predict, however, that to achieve life-cycle training efficiencies, the initial investment will be substantial, although off-set to some degree by weeding out the redundant and unnecessary. Funding the entire "path" of levelized training, from recruitment to retirement, will become absolutely essential to achieve life cycle savings. Congressional understanding that this "apparent" increase in training costs is instead a prudent "investment" yielding long-term dividends of training efficiencies is absolutely essential to the success of our program.

Education Issues

Montgomery GI Bill. The Montgomery GI Bill has the personal attention of every commanding officer in the Navy; we particularly appreciate the "open period" which is giving sailors who chose not to enroll when they first entered the Navy an opportunity to reverse that decision. We have vigorously implemented the "open period", increased our recruiter involvement, and improved our presentations at recruit training. The Montgomery GI Bill is well received by our sailors, as evidenced by 71.8 percent of those eligible choosing to participate in FY-88.

All-Volunteer Force Educational Opportunities.

Feedback received from fleet and unit commanders indicates a high degree of interest in continuing opportunities to raise educational levels. Recent Defense Department studies show that participation in Voluntary/off-duty Education Programs (supported by Tuition Assistance) has a positive relationship on retention. For example, internal Navy studies show that personnel who participate in the Tuition Assistance Program are twice as likely to reenlist as those who do not. The Navy is sensitive to this relationship, and is committed to sustaining programs of educational opportunity for those in the naval service.

Navy Campus Participation - TA. Over 91,000 personnel participated in the Navy Campus Program in FY-88, despite budget cutbacks and reductions. The largest participation continues under Tuition Assistance, which helped to fund over 94,000 post secondary education courses for our members. We will spend just over $17 million dollars this year on Tuition Assistance. This is an excellent and well documented investment in our people. Every sailor benefits from your endorsement and support for education in the military. We must give our people who volunteer to serve their country every opportunity to raise their educational level.

Services to the Fleet - PACE. In partnership with the higher education communities, we are using the latest educational technology to deliver college courses to sailors on ships which cannot take a civilian instructor. PACE II is providing courses via interactive microcomputers. In this way, we can offer any deployed sailor an opportunity to continue his or her education.

SUMMARY

Your Navy is made up of men and women who are meeting our nation's commitments, day and night, 365 days a year. They shoulder their responsibilities willingly. All they ask is for modest recognition and an appreciation of their worth by such necessary, tangible benefits as decent compensation, reasonable sea/shore rotation, a chance to develop professionally, and an assurance that their families are cared for during extended deployments. We cannot afford to sacrifice their talents, their professionalism, their dedicated service, by fiscal decisions which may turn out to be penny wise but pound foolish.

Our manpower budget strikes a carefully honed balance to provide the quality Navy that America needs and deserves. Your continued support in meeting the tough challenges ahead is necessary to achieve this end.

INDEX OF FIGURES

NUMBER	TITLE	PAGE
1	MPN End Strength	11
2	Declining Male Youth Population	18
3	Enlisted Retention Trends from 1983 Through December FY-88	21
4	Officer Retention	22
5	Airline Hiring Trends	24
6	Reserve Force End Strength	32
7	Military Pay Lagging ECI	47

APPENDIX A

The Military Personnel, Navy (MPN) Appropriation Request

The FY-90 MPN request is for an appropriation of $19,439,800,000 in obligational authority. This is a net increase of about $371 million from the current FY-89 funding requirement. The major factors include: an increase of 4,810 workyears ($121 million); annualization of 1 January 1989 pay raise ($189 million); 3.6% pay raise effective 1 January 1990 ($459 million); inflation ($22 million); and Military Service Social Security Wage Credits ($53 million). Partially offsetting these increases is a $592 million decrease in Retired Pay Accrual. For FY-91, $20,019,900,000 has been requested, an increase of $580 million over FY-90. This includes: an increase of 2,640 workyears ($62 million); annualization of 1 January 1990 pay raise ($145 million); 3.2% pay raise effective 1 January 1991 ($409 million); and inflation ($22 million). Retired Pay Accrual decreases $68 million. Details of other cost increases and decreases are provided on pages 15 through 17 of the MPN budget request. The following paragraphs provide explanations on funding required for selected budget activities; and Chart A reflects funds requested for all six budget activities, as well as the percent of each to the total program.

MILITARY PERSONNEL, NAVY DOLLARS ($000) BY BUDGET ACTIVITY

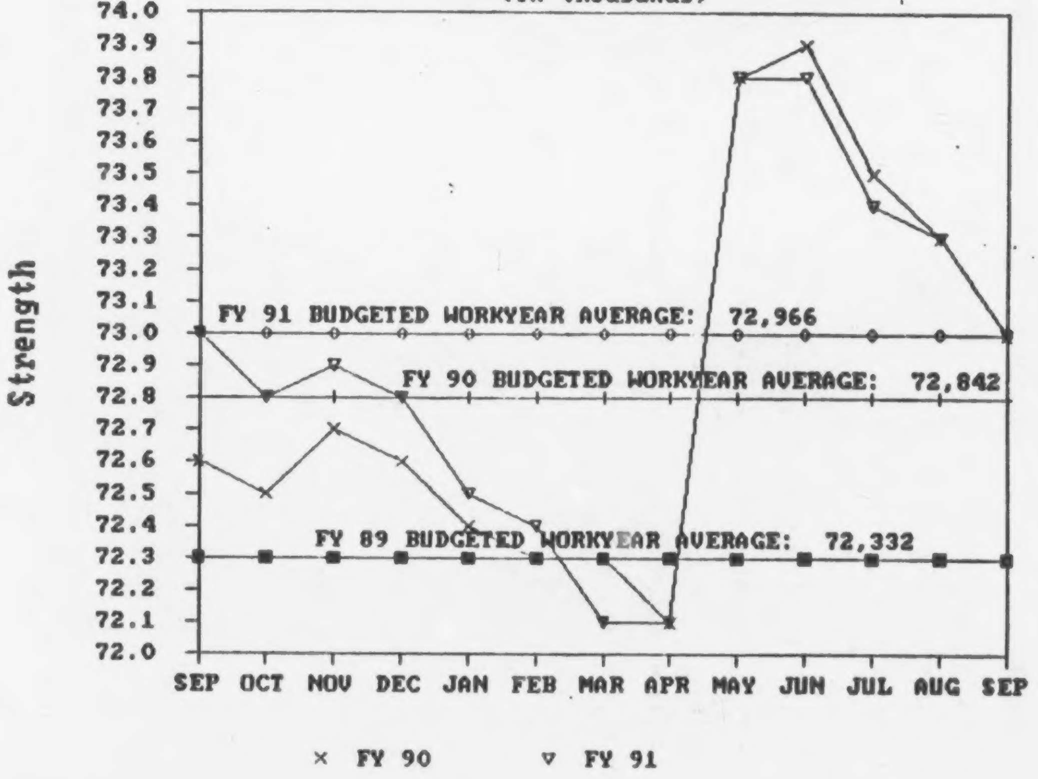
BUDGET ACTIVITY	FY 1989	%	FY 1990	%	FY 1991	%
PAY AND ALLOWANCES - OFFICERS	4,488,327	23.5	4,555,831	23.4	4,693,211	23.4
PAY AND ALLOWANCES - ENLISTED	13,143,284	68.9	13,362,049	68.7	13,760,373	68.7
PAY AND ALLOWANCES - MIDSHIPMEN	39,026	.2	40,294	.2	41,488	.2
SUBSISTENCE OF ENLISTED PERSONNEL	818,144	4.3	856,245	4.4	886,955	4.4
PERMANENT CHANGE OF STATION TRAVEL	540,966	2.9	576,873	3.0	588,798	3.0
OTHER MILITARY PERSONNEL COSTS	39,309	.2	48,508	.3	49,075	.3
TOTAL DIRECT PROGRAM	19,069,056	100.0	19,439,800	100.0	20,019,900	100.0
REIMBURSABLES	126,500		130,100		134,100	
TOTAL FINANCIAL PROGRAM	19,195,556		19,569,900		20,154,000	

CHART A

1. Pay and Allowances of Officers. $4,555,831,000 is requested to support planned officer strength in FY-90. This represents a net increase of about $68 million from the FY-89 level. $4,693,211,000 is requested in FY-91 (a net increase of about $137 million from the FY-90 level). These changes are attributed primarily to Basic Pay, Retired Pay Accrual, Basic Allowance for Quarters, Variable Housing Allowance, Basic Allowance for Subsistence and FICA. The funds required in this budget activity are based primarily on the monthly strength plans and resultant workyears indicated in Chart B.

FY 1990 AND 1991 OFFICER STRENGTH PLAN

(in thousands)

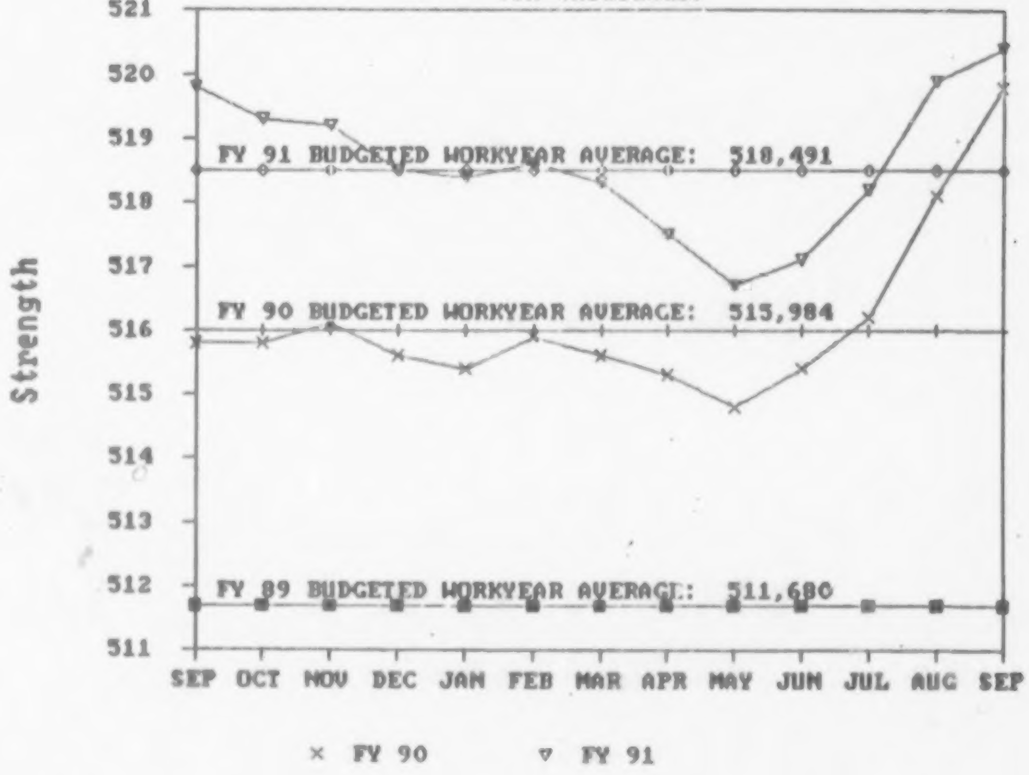


2. Pay and Allowances of Enlisted Personnel. Planned enlisted strength will require $13,362,049,000 in FY-90. This represents a net increase of about $219 million over the FY-89 level. $13,760,373,000 will be required in FY-91--an increase of about $398 million. The largest increases are for Basic Pay, Retired Pay Accrual, Basic Allowance for Quarters, Variable Housing Allowance, Clothing, and FICA, which are the strength related items affected by workyear increase.

The funds required in this budget activity are primarily based on the monthly strength plans and resultant workyears as indicated in Chart C. Budgeted workyears in FY-90 are 1,820 below a "straight line" computation between the end strengths of FY-89 and FY-90. For FY-91, budgeted workyears are 1,603 lower than the FY-90 and FY-91 end strength "straight line" computation.

FY 1990 AND 1991 ENLISTED STRENGTH PLAN

(in thousands)



3. Subsistence of Enlisted Personnel. The amounts required for Subsistence of Enlisted Personnel are $856,245,000 in FY-90 and $886,955,000 in FY-91. The estimated cost to feed an enlisted member in a General Mess has been developed on current costs plus the inflation factors of 3.6 percent in FY-90 and 3.3 percent in FY-91, as allowed by OSD. Program requirements also increase as a result of workyear increases of 4,270 in FY-90 and 2,522 in FY-91.

Permanent Change of Station Moves (PCS). The Navy PCS Program will require $576,873,000 for FY-90, a net increase of about $36 million from the funding level currently planned for FY-89. The FY-91 program requires $588,798,000, a net increase of about $12 million over FY-90.

The cost variances include an increase to the current Weight Allowance Entitlement, inflation factors and industrial funded service decreases/increases as provided by OSD. Pages 77 and 78 of the MPN budget request provide details on cost increases and decreases.

Chart D on page A-10 shows planned moves and average costs by travel category across the years. Navy's goal for fleet readiness is to man installations and ships with qualified personnel. Accession, separation, training and organized unit moves are mandatory when required to attain force levels and to provide training for that goal.

The Navy can only institute policies to change minimum move requirements for operational and rotational moves. The FY-90 and FY-91 moves represent 25 percent of the total Navy move program.

Only limited opportunities exist, however, to restrict these moves without upsetting efforts to maintain skill and grade balances and increase the career force. While the Navy continues to make every effort to minimize move requirements, adequate PCS funding is absolutely essential to recruit, train, develop, and retain the best fighting force possible.

We need Congressional understanding and support for the Navy's FY-90/91 PCS Program.

PERMANENT CHANGE OF STATION MOVES AND AVERAGE COSTS BY TRAVEL CATEGORY

	FY-89 ESTIMATE		FY-90 ESTIMATE		FY-91 ESTIMATE	
CATEGORY	MOVES	AVERAGE COSTS	MOVES	AVERAGE COSTS	MOVES	AVERAGE COSTS
ACCESSIONS	100,343	701.35	100,336	729.24	97,821	725.53
SEPARATIONS	92,521	899.30	88,104	960.18	89,527	981.82
TRAINING	34,900	1,692.84	35,096	1,792.37	34,970	1,832.11
OPERATIONAL	43,428	2,764.55	43,672	2,961.23	43,522	3,036.86
ROTATIONAL	33,230	5,674.69	33,431	5,956.33	33,315	6,157.62
UNIT MOVES	6,922	3,203.84	8,224	3,678.75	7,889	3,935.35
TOTAL MOVES	311,344		308,863		307,044	
COMPOSITE AVERAGE COSTS		1,745.55		1,875.83		1,925.78

CHART D

SEA DUTY

Mr. **Murtha.** I see yesterday when you testified before the Armed Services Committee, you said you were worried that sailors may spend more time at sea.

I was trying to figure out a way we could reduce sea time. I talked with a Navy captain—I think he is the captain of the Kitty Hawk—and I asked, "What if we got rid of an aircraft battle group?"

He said, "Here is the problem: When I first went to sea, it was 150 days. Then it was 168 days for the second tour. Then it was 175 days."

I understand that if you reduced say, a battle group, that you would reduce the number of people who are necessary, but it hasn't worked out that way.

I mean, you feel with the deployment as it is today that you can man the ships, you are cutting into the medical problem which is such a shortage. What is the number you are going to put into the medical department of the Navy?

Admiral **Boorda.** We are going to add 300 officers, and the number of enlisted I will give you for the record. It is relatively small. We are doing well with corpsmen and we are adding a lot of civilians.

[The information follows:]

Officer and enlisted end strength for medical will increase by 301 and 404, respectively, from fiscal year 1989 to fiscal year 1990.

MEDICAL MANPOWER

Mr. **Murtha.** I thought it was 1,400 for the medical service.

Admiral **Boorda.** No, sir. It is 1,400 total support people of which some of those are medical.

Mr. **Murtha.** I see.

Fourteen hundred support people, support people meaning for other than medical. All right.

What is the backlog in the medical department in your estimation now?

Admiral **Boorda.** We could grow the medical department about another thousand officers, professionals, nurses, doctors, medical service people.

Mr. **Murtha.** Where do I get the figure 3,500?

Admiral **Boorda.** We have been adding right along.

Mr. **Murtha.** Every place I go, there seems to be shortages—for instance, Long Beach, a substantial shortage. Even here at Bethesda, there are shortages. Is that because you can't get the skilled people?

Admiral **Boorda.** We are recruiting staff as hard as we can and the problem is a recruiting problem and a retention problem. We have a revolving door so we have to stop people from leaving while we recruit.

Mr. **Murtha.** So keeping the time on station down is one way to retain people because that is the number one reason they get out, because they are spending too much time away from their families?

Admiral **Boorda**. If we are talking about medical, that is a separate discussion.

For sea-going people, family separation is the number one reason.

Number two is pay. That is creeping up. It was number two this year.

INCENTIVE PAYS

Mr. **Murtha**. Have you made a request for bonuses in any of the various departments?

Admiral **Boorda**. Yes, sir.

We have a new bonus this year, the Medical Officer Retention Bonus. It is a rather extensive bonus that is targeted to the medical specialties where we are short. We just started that the first of the year and we will expand on that next year if our request is approved.

We have the authorization to do that now. We have an aviation officer continuation pay this year called ACP, aviation continuation pay. It is a $30 million program to try to work down our shortage of 1,500 mid-grade pilots.

We started that January 1 and that is going very well. Perhaps I can get questions on that later.

But that program is producing the kind of retention we had hoped it would and, in fact, is exceeding what we thought it would do.

We have an enlisted bonus program that we have had going for a long time, a selective re-enlistment bonus, and we have again asked for that this year. That is the only way we can retain our skilled people in the technical ratings.

We have increased some of the smaller bonuses that we can use—in the medical field. There is also special assignment pay. I had the authority to do that within the account and I moved more of that money over for the enlisted medical people because doctors are saying that the support people are a problem, so I wanted to do that to try to get them some more support people, people who wanted to stay.

MEDICAL SUPPORT

Mr. **Murtha**. How can you support the Navy-Marine Corps team, which is about the same or more than the Army, with half as many medical personnel?

Admiral **Boorda**. We don't do it very well and that is the answer. We don't do it very well.

Mr. **Murtha**. You resort to CHAMPUS, don't you, which is a lot more expensive?

Admiral **Boorda**. I would call this a spiral-down effect here. We didn't fund medical properly. We didn't have enough active duty medical providers. As they got overworked and as they couldn't deal in their craft, the way they wanted to deal in it, which was in a professional way and most of those people are very good professional people, they started leaving so we had even less of them.

At the same time, medical costs on the outside were going up which means medical salaries were going up, so we had a bigger draw and the thing sort of folded in on itself.

What happened at the same time was that our beneficiary population was going out on CHAMPUS and the CHAMPUS bills were going sky high at the same time the medical costs were going up and it is really an unhealthy situation.

We are trying to turn it around. It has taken us a long time to get this fouled up. It is going to take us a little time to straighten out.

Mr. MURTHA. Has it always been the same proportion; that the Army has always had more in their medical departments than the Navy?

Admiral BOORDA. We have always funded support functions at a lower level than other services. We have, with the exception of the Marine Corps whom we provide a lot of services to, a better tooth-to-tail ratio than the other services.

In this case, as you have pointed out, that is to the detriment of our people.

Mr. MURTHA. But you are moving as fast as you can in the medical department——

Admiral BOORDA. When I told you about a thousand more medical officers, I was being realistic. I don't know the total number that we could use.

I know that I have tripled the number of recruiters I have out there. I have added money to the recruiting budget. It is good to publish ads to get attention in the medical journals—I have done much of what I can do and I am looking for more things to do to try to get more doctors and nurses, but that is what is happening in the private sector too, so we are in a tough market.

I think we have asked for everything we could reasonably hope to recruit and if I thought we could recruit more, I would ask for more.

Mr. MURTHA. Mr. McDade?

AVIATOR CONTINUATION PAY

Mr. McDADE. Thank you, Mr. Chairman.

Admiral, welcome. It is nice to have you before the committee. I want to talk to you about aviator continuation pay.

Congress authorized the aviation continuation pay effective January 1, 1989. Again this bonus is limited to aviators in critical aviation specialties. Only the Navy and the Air Force have implemented this program.

Of the total number eligible to receive the bonus, how many have actually signed up for it?

Admiral BOORDA. We expected to get about 660 bonus takers this year. We have already got 43 percent of those with only two months gone. The bonus is working.

I will give you a few figures if I can update them for the record.

[The information follows:]

Navy estimated that we would obtain 660 total Aviator Continuation Pay (ACP) contracts from pilots between 1 January-30 September 1989. Of these, 60 were projected to be short term (1 or 2 year contracts) and 600 were projected to be long term contracts obligating aviators to remain on active duty until completing 14 years of commissioned service. As of 9 March 1989, Navy has obtained 259 (43 percent) of the projected 600 long term contracts. The high percentage of contracts attained after only two months is due to the fact that many pilots, who were eligible for the previous bonus plan, withheld their applications to take advantage of higher ACP bonus rates. Consequently, a large number of applications were received in January and the early part of February. The application rate has now decreased and is stabilizing.

Admiral BOORDA. But in the VP community, that is the patrol community where we have real trouble with pilots. That is maritime patrol, the kind of aircraft they fly are directly translated into the private sector and we have had a lot of trouble getting people to stay with us.

We were bonusing last year, but the bonus was $6,000. Under the old bonus program in an entire year, we got 86 people to sign up out of that community.

This year with the new bonus, we got 119 people to sign up in that community in the first two months and 56 of those pilots were people that were eligible last year under the old system, but didn't take it. I could run through each community if you like.

Mr. McDADE. Do that for the record.

[The information follows:]

Community	FY 1988 bonus contracts	Total ACP contracts as of 9 March 1989	Total ACP contracts from aviators who were eligible for but did not apply for previous bonuses
VAL/VFA (A-7/FA-18)	27	44	29
VAM (A-6)	58	24	13
VF (F-14)	12	21	12
VAQ (EA-6B)	1	4	2
VS (S-3)	6	13	6
VP (P-3)	86	119	56
VAW (E-2)	3	9	1
Helicopters	56	88	29

Note: Includes long and short term contracts.

Admiral BOORDA. That bonus is working.

Mr. McDADE. It sounds like there has been a lot of acceptance of it.

There is a proposal at DOD to increase it to $20,000. What is the rationale for that based on the fact you have only had a year's experience?

Admiral BOORDA. We need a little more experience before we can tell you exactly, but $20,000 is a conservative number.

Mr. McDADE. What is the real number?

Admiral BOORDA. Twenty-seven would be the number for VAQ pilots now, but we are not asking for that. That is a get-well number, that gets everybody you need right to the last person.

As you know, the last marginal cost is real high when you do something like that.

Mr. McDADE. What does the budget reflect?

Admiral BOORDA. Thirty million dollars.

Mr. McDADE. In terms of the bonus, is it at $12,000?

Admiral BOORDA. Twelve. Because this is a bonus program where you have to have the problem before you have the solution. We structure this program so you will only pay it in places where you have shortages.

If you see the shortage and you have to wait a legislative year to get the effects, you lose a lot of pilots that cost anywhere from $850,000 to a million and a half dollars to train so we would like to have this extra bonus in our back pocket and if we see a problem, be able to go to the Secretary of Defense and use it.

I don't intend to use that money this year, but this $12,000 is going to decay like the old $6,000 bonus did.

Mr. **McDade**. I assume you will be talking about whether or not you can get some flexibility into it?

Admiral **Boorda**. Yes.

You gave us a $12,000 authority this year. We didn't use it all. In many communities, we are paying less than that. We are paying what we think it will take to get the retention we need.

Mr. **McDade**. What is the average bonus this year? Do you have any idea?

Admiral **Boorda**. No, but we are running from $6,000 to $12,000 with a lot of people not getting any bonus because their retention is okay. Many of the naval flight officers don't get any.

Mr. **McDade**. Do you administer yours differently than the Air Force?

Admiral **Boorda**. We had a big hassle so we did that report we sent to you to prove that we were different.

In fact, we look at pilots at two key times in their career. We train enough pilots in the beginning to fill the first sea tour seats in the squadrons, the brand-new pilot who is going to fly for three years and learn his craft and keep doing it for a while and then goes off to the next thing.

We train to that number. We try to retain to what we need at the 11th to the 13th year. That is the leadership tour in the squadron where the fellow comes back as the operations officer, the maintenance or safety or administrative officer, and he is also a strike leader. He is the aircraft airborne leader as well.

He is providing leadership to the youngsters who just got trained.

The Air Force doesn't have the same structure we do and has more fungible things they can do with their pilots. They can move them in and out of jobs at different times in their career.

I need lieutenant commanders to be department heads, ensigns, JGs and lieutenants to be the first or second tour guys, so my structure is different.

Because of that, we were able to look at the type of aircraft flown, fighter, attack, airborne early warning, maritime patrol and see where we were in each community and only apply the amount of money we needed to fix that community.

I think that was a logical way to do it. It is cost effective. We have two years of experience of learning how to do this with some fits and starts in the beginning.

I think we have it about right now.

Mr. **McDade**. Thank you.

Thank you, Mr. Chairman.

Mr. **Murtha**. Mr. Miller.

RECRUITING

Mr. **Miller**. Thank you, Mr. Chairman.

Admiral, you mention in your statement about recruiting and you state that you have started two new independent studies concerning recruiting.

Can you give us a little background information on those studies and what they may do?

Admiral **Boorda**. I relieved in August of last year and I looked at the recruiting command and I was concerned about two things.

The first thing that concerned me, and it was the most important thing, was that we were underfunding, undermanning recruiting, but demanding of the recruiters the production that they would have produced had we manned and funded them properly.

I have been in the Navy a long time. I started out as a sailor, enlisted for six years, and I didn't like what I was seeing.

So I wanted to convene a study to structure the recruiting better so our people in recruiting would have a better quality of life.

I saw us in a cycle that could have led us to repeat what happened in recruiting in the late seventies. I decided to try not to let that happen.

The second group I have working is Vice Admiral Retired Joe Metcalf, who I have a lot of respect for, who has a good deal of manpower experience working with CNA.

He is trying to provide me with a view of what recruiting ought to look like about ten years from now, how a recruiting office and district ought to be structured, how the headquarters ought to be, and I am going to try to accelerate into that organization.

I found recruiting to be an organization that worked very hard, but it is working as it did in the mid-seventies and there haven't been many improvements.

I thought it was time to make some.

MANNING

Mr. **Miller**. We know that the new cargo ships, with their new technology, require very few people to operate compared to ships built ten years ago, twenty years ago.

On our naval vessels, we have the new technology, instrumentation, the radar and guidance systems, and this type of thing.

How has the personnel manning of U.S. Navy ships changed compared to some ten years ago?

Admiral **Boorda**. My first destroyer was the USS Porterfield, a World War II destroyer, and we had about 400 people on that ship, and she was little, 396 feet long, 5-inch guns, and the ship I just got relieved on in Norfolk was the Yorktown, a Ticonderoga class cruiser. Ticonderoga has ten times the equipment, twice the size and has 314 men.

I think we have taken about what we can take in savings. The real reason we are not going to be able to go much lower is we are also having to do some of the facilities maintenance.

You don't want it to rust away underneath you. A lot of this good electronics equipment takes maintenance, takes people to do that, and we need enough people to run the engineering plants and do damage control if we should take damage and I think we proved that with the STARK.

CITIZENSHIP AND NATIONAL SERVICE ACT OF 1989

Mr. **Miller**. I know this is not your responsibility, but I would like to have your opinion.

When we speak about the people that are pushing for a citizenship and National Service Act of 1989, we are hearing and you undoubtedly have information on this, that it would enable a young person to stay at home and earn $10,000 after one year of so-called volunteer service.

Many of our people in the military are concerned about what it would mean as far as recruiting is concerned to the military.

Has the Navy decided whether they would be for the bill or opposed to the bill; and if so, would it create additional recruiting problems in your mind at least?

Admiral **Boorda**. It is right square in my responsibility because I am in charge of the recruiting as well as all the other manpower issues.

Mr. **Miller**. What I meant is, I guess we are looking for guidance down the road on this legislation.

Admiral **Boorda**. We have not taken a position, a service position yet.

As you might imagine when these bills started coming out, Nunn, McCurdy and others, we started looking real hard at what they might do to us.

I have a lot of concerns. I think particularly at a time when the eligible youth population is going down, between now and 1996, we are in a dip of 17-to-21-year olds.

Of those 17-to-21-year olds, only a third of them are either mentally or physically or morally eligible to come into the service, and some of those are going to go to college, so we are dealing with a shrinking market for the next seven or eight years, and at this time, if we offer youngsters another attractive option, it can't do anything but hurt recruiting.

So it is going to make recruiting harder and I will be here asking for more recruiters and more money to try to resolve it.

There are other issues associated with that. We don't take any two-year people in the Navy now. Some of the national service bills that I have seen include two years of military service.

The Navy is a pretty technical place and the minimum enlistment right now is three years, because you don't want to spend a lot of money on training and not get some benefit for it.

We could take some two-year people, I guess, but the number would be very small and if we did that and our end strength stayed about where it is, we would have to retain a larger percentage of those that we brought in for longer service, and that is going to be expensive.

I am very concerned and if a bill like that looks like it is going to be passed, I hope the Navy will get a chance to participate in the discussions and perhaps ameliorate some of the damages.

TRAINING REQUIREMENTS

Mr. **Miller**. One other area and again this in part at least is not necessarily your responsibility, you are not making the determination as to how much steaming time takes place. When it comes to steaming time, you still have personnel on those ships and you have to make some promises at the time of recruiting.

Do you feel if we held down the steaming time, which saves energy, that we could still give the training, ample training to enough of the people in the Navy that they would be in shape to do whatever is necessary in case we had a war?

Admiral **Boorda**. Well, you are absolutely right. It is not in my area of responsibility, but I am happy to report I haven't always been a personnel person.

I just came from commanding a Cruiser Destroyer Group and Commander of Battle Force Sixth Fleet.

There is a minimum amount of time as an operational commander that you are comfortable with having your ships at sea operating in exercises, operating with other ships actually doing it, not pretending to do it.

That minimum amount of time is about the steaming time I had in Norfolk and in the Mediterranean the way we were funded in 1986, 1987, and 1988.

If I got much below that, I got concerned.

Yet, it is good—if I put my personnel hat on, it is good to be in homeport.

I think the CNO has struck a nice balance with an operating personnel TEMPO program, OPTEMPO, PERSTEMPO, and he tries to schedule ships so at least 50 percent of their time over a representative period is spent in homeport.

He tries to make sure, and he has done so, that deployments, long periods of time away from home, are not more than six months.

In the last couple of years, we have gone from 6.8-month deployments down to 5.8. That is a big difference. That may not sound like much, but that extra month is a big deal.

I made a couple of one-year ones. They were an even bigger deal. These are tradeoffs we have to make and you have to make as you look at our budget.

Mr. **Miller**. Thank you.

Mr. **Murtha**. Mr. Livingston.

Mr. **Livingston**. Thank you, Mr. Chairman.

As an ex-white hat, I want to say hello and thank Mr. Miller for his question on the national service because this is an idea I have had an interest in for a long time.

I think it was Representative McCloskey who came up with legislation years ago and it is open for discussion and controversy today.

If I can play the devil's advocate, as a father of three sons who are all approaching that age, and one who has recently joined the Army, most kids coming out of high school don't really even think about the service these days, and it seems to me that what you are dealing with now and doing very well at is recruiting those kids for whatever reasons who can and do concentrate on those options, but that if you had a national service program, that you would expand the pool tremendously, and that you would actually get a lot more people think about those options and that you might have—in fact, even though the overall number is shrinking, you would have a lot more to draw from.

Admiral **Boorda**. We have a national service bill. If you look—we have not got a Navy position on this bill yet so I guess I am giving you my initial thoughts. But we have the Montgomery GI bill right now. That bill by itself is about half of what Nunn-McCurdy would give a person in the military.

However, Nunn-McCurdy would reduce their base pay by a third also, so we would have to do some mathematical tradeoffs.

We are asking for the Navy College Fund this year because we need it.

The Army has various kinds of kickers which bring it up to the same level.

So we have a national service bill now that only pertains to the military and what you are suggesting or what some are suggesting is one that also pertains to civilian service where you don't have to leave home, can be at home, and can reap about the same amount of money for a shorter period of time.

That concerns me.

Mr. **Livingston**. I can see why it would concern you. I certainly wouldn't be inclined to support a bill where the options are equivalent to the ones where they will go into the service.

It seems to me that the pot should be substantially sweetened if, in fact, you want to go into the service. But again, if everybody has to do something, either upon his departure from high school or at some point in his collegiate career, and has to perform so many months or years of service on behalf of the country, it is going to increase the awareness and it seems to me it will actually give you a larger number of people to deal with. That is open to discussion.

NAVY COLLEGE FUND

Let's ask about your Navy College Fund.

In fiscal year 1987, the Navy offered the Navy Sea College Fund to high-quality, college-bound individuals.

The Congress was not convinced that the Navy program was designed to fill shortage skills and, therefore, directed the Navy to revise its programs.

The Navy has submitted a request to offer the Navy College Fund to college-bound individuals who will sign up for one of the critical shortage skills. The individual is required to sign up for a four-year enlistment. The fiscal year 1990 budget request is for $9 million.

Admiral Boorda, to what extent will this Navy College Fund help you in recruiting?

Admiral **Boorda**. I believe it will help us quite a bit and it will help us in two ways.

First, we are having a hard time making recruiting goals right now. I believe the Army has missed accession goals. In the Navy, we have made our goals, but I am not taking bets on March right now. That is a hard month for us this year.

We didn't start the month with a lot of people in the delayed-entry bank. It is clear to me that we are moving into a much more difficult recruiting time.

It is clear that the quality of the recruiting is staying pretty good, but not as good as it was last year, and that wasn't quite as good as it was the year before.

The College Fund would give me 2600 Category I or II, the highest scoring individuals, who would come in and serve in technical, difficult ratings for a four-year period.

I think I will retain a lot of those people. I really do.

Our track record on retention is pretty good. I don't think they will all get out and leave, so I think I will bring some people in the door. Then having a program to offer that gets people interested will bring me other kinds of recruits as well.

Right now, I have very little to offer in the way of extra things for my recruiters to talk about. I think the way we have structured this program satisfies all the problems that the staff and the members had with our previous program.

The previous program was really aimed at something else. It was trying to get the kind of person to join the Navy that the Nunn-McCurdy bill would get to join the Navy.

This is a different breed of cat, a tough, well-qualified technically competent person that is going to stay with us for a while.

CATEGORY IV ACCESSIONS

Mr. Livingston. What percentage of total accessions are Category IVs? What does that mean? Would you explain the question and answer?

Admiral Boorda. Yes, sir. This is a good quiz.

There are five basic categories of people. Number one is the highest scoring entrance test taker. Category V is not eligible to come in. Category IV's have a hard time in our schools and are not eligible for most of our schools. They can get into some and we try to do that.

It is clear that in a technical outfit like ours, we have to limit the percentage that we can take.

I have put an upper limit of 12 percent and I don't intend to raise that because that is about the maximum we can take and still find jobs for them in the service that they can do.

I must tell you we need to do a little bit of remedial training of a lot of those people in reading and just in basic skills and we don't want a Navy populated by large numbers of Category IV's.

Mr. Livingston. How are you doing with them?

Admiral Boorda. Last year we took 10½ percent. We stayed under our 12-percent goal.

This year recruiting is tougher and I hope to get it down to 10½ or 11 percent.

I don't like the way I see the trends going.

Mr. Livingston. Thank you.

FRAUDULENT ENLISTMENTS

Mr. Murtha. Admiral, you don't see any evidence of the type of thing that happened in the Marine Corps at Pittsburgh happening in the Navy where there was so much pressure on the people that they used fraudulent enlistments in order to fulfill their quotas?

Admiral **Boorda**. Mr. Chairman, I am trying to do just the opposite. As I said in response to Mr. Miller's question, when I came to this job, quality-of-life for our recruiters was very important to me. We had a problem in Pittsburgh right after I got here, too.

The problem was that we had fired a number of very good young men and women who had come into recruiting, but not produced and we were firing them and sending them to other jobs and we missed the signal.

I really have not answered your question—I will work my way into it—we missed the signal that here were these people failing. They were good people with good records, but they were failing, and our answer was to fire them.

That wasn't the right answer. The right answer was leadership and training and all the things that we all know make the difference between a winning organization and a losing one.

Not all of recruiting was in that sad of shape, but more than I would have liked was in that kind of shape.

So we are attacking the problem, not by putting pressure on people, not by seeing if we can watch them so much more closely. I think we were doing that enough. We are trying to treat them like good people who are trying to do a good job, and when they fail, it is hard for them.

Will some of them succumb to cheating? Maybe, but we are going to try to provide the kind of leadership that doesn't make that the obvious answer for them.

Mr. **Murtha**. Let me welcome Congressional Medal of Honor recipient Captain Kelley to the committee today.

Are there any other questions?

OVERSEAS ASSIGNMENTS

Mr. **Miller**. Mr. Chairman, if I might, at least one.

The permanent moves or temporary moves, we seem to have a lot of those and we talked about this last year to some degree, since we have the problem and the restraint on dollars. Is it possible to hold down some of the moves that the Navy would have when it comes to even building new housing?

We have had people before the committee who discussed moving forces overseas and the need for additional housing for the families.

To go just a little further, we've talked about sending more single people overseas instead of having the responsibility of the family and the children there, and the necessity to build additional schools, have additional teachers, and it all ties in together with moving and who you move.

Could you express your opinion on that?

Admiral **Boorda**. Sure.

We have got a demographic problem when we talk about single and married people. As you would expect, the single people are a larger percentage in the more junior, younger ranks, and the married people are a larger percentage in the more senior supervisory ranks.

So it makes it a little bit harder because when I need to send senior leadership kinds of people someplace, I am going to start sending married people there. That is the way our country is.

I have tried to reduce the number of married junior people that I am sending overseas. I think it is not right to put them in an environment where they can't afford to live, so I am trying very hard to, if I have an E–1, 2, or 3, the lowest three pay grades, a person with children or a wife and no children, if they are going to send them overseas, they have to get my personal permission to do it.

Nobody has asked me yet since I put that policy in so either they didn't hear me or we are not doing it right now.

I am being careful not to send handicapped children to places where we burden the parents and the children and the system overseas because I don't think there is any requirement that causes me to put that burden on the government to pay for all the services or on the people to be in a place that makes it harder for them.

Having said all of that, I have got to man the ships and the squadrons and the overseas stations with enough people to do what they need to do.

I guess what I have tried to leave you with is a feeling that we are looking at it in a way that we will try to reduce the number of dependents, family members in places where family members are expensive to maintain and might be burdensome for the service members themselves, but I don't think I can make a single versus married policy because the service isn't broken up evenly demographically.

Mr. **Miller**. That is understandable, but in looking at those that would be shipped overseas, if they have the expertise, and can fill a position, if they are single instead of having three or four dependents, that will be expensive. Not only that, if it is a man, the father of the family is going to be concerned about that family if they are overseas and an international crisis develops. He is going to be more concerned about getting his family out of there and you can't blame him.

So the single person would be better. I just wanted your thinking as to what was being done.

Admiral **Boorda**. We have a limit of four family members overseas unless it is very exceptional and I think you and I are really thinking about the problem the same way.

I am simply not able to make a hard and fast rule because I wouldn't be able to man everything if I did that, but I am trying to do exactly what you are saying.

Mr. **Miller**. Very good.

Thank you, Admiral.

Thank you, Mr. Chairman.

Mr. **Murtha**. Admiral, we have other questions for the record.

[**Clerk's note**.—Questions submitted for the record and the answers thereto follow:]

OVERSEAS ASSIGNMENT FOR E1–E3 WITH DEPENDENTS

Question. Admiral Boorda, you stated that to send E1s through the E3s with dependents overseas requires your personal permission. Is that a written policy?

Answer. Yes. We have a written detailing policy which states, "Effective immediately, enlisted personnel in pay grades E–3 and below with dependents will not be assigned to duty in overseas areas (on afloat units or shore based activities) due to the unavailability of government housing for members and their dependents."

Question. Precisely what criteria do you use to determine who must be assigned overseas?

Answer. As each enlisted member in a particular rating and pay grade is eligible for reassignment, the detailer first considers whether the member is rotating to sea or to shore duty. The members will normally be assigned to the highest priority billet, as established by the appropriate Fleet Commander, within either the sea or shore composite regardless of whether that billet is in CONUS or overseas. Members receiving orders to overseas duty are required to undergo a screening to ensure they and their dependents are suitable for assignment to overseas.

Question. If such a policy is in place, would this not constitute a form of discrimination against single service members as well as younger ranks with dependents?

Answer. No. We do not consider our policy discriminatory in any way. Although we strive to have all members to maintain worldwide assignability, not all members can do this for a variety of reasons. Even if they did, not all members would have the same chances for overseas assignments. While most of our members rotate between sea and shore duty (overseas duty can be either), some members rotate only between CONUS and overseas shore duty because of a lack of sea billets. Even members in different ratings and pay grades who rotate in a sea/shore pattern have much different opportunities for overseas assignments. This is because of the number of billets for the particular skill, the availability of the member and the billet, single members, regardless of their pay grade, are eligible for military government bachelor housing.

PAY RAISE

Question. Normally when Congress provides a pay raise to the military, they apply it across the board for basic pay, basic allowance for subsistence and basic allowance for quarters. For fiscal year 1989, the Congress made a special adjustment for housing and provided a 7 percent raise for housing allowance and 4.1 percent for basic pay and subsistence allowance. How was this combination pay raise accepted by the service members? In your opinion, is this an effective way to provide pay raises in the future?

Answer. To those service members who reside off base and receive BAQ, the increase in BAQ was well received. However, to service members residing on base or other government quarters such as shipboard, it had the effect of lowering their overall pay raise from the 4.3 percent requested, since it provided a lesser increase in basic pay and BAS. A reduction in the pay raise so a portion can be diverted into BAQ has undesirable side effects, especially at a time when the military lags dramatically behind private sector wage growth. It provides an inequitable compensation situation between service members who live off-base in the United States and for those who live in Government housing or who are receiving overseas housing allowance. Since military pay currently lags behind the Employment Cost Index by 10.1 percent it is vital that all service members receive a minimum of 3.6 percent increase in fiscal year 1990 in basic pay to maintain the relative position the military has with the private sector. If a 3.6 percent pay increase is approved for all service members for basic pay and BAS, we support a BAQ increase to reach 65 percent of national median housing costs by paygrade, the level originally intended by Congress. However, this should not be at the expense of increase in basic pay and BAS.

HOUSING ALLOWANCES

Question. The Congress provided a 7 percent raise in basic allowance for quarters and a total DOD funding level of $1.220 billion for Variable Housing Allowance. The reason for the increased funding was to reduce the service member's out-of-pocket expenses for housing which were averaging 25–28 percent of total housing costs in fiscal year 1988. For fiscal year 1989, Congress appropriated $78 million more than the DOD request for VHA. What portion of this $78 million was allocated to the Navy?

Answer. The Navy's VHA ceiling was increased by DOD by $65 million.

AVIATOR CONTINUATION PAY, FLIGHT PAY AND BONUS

Question. In 1980 the Navy was authorized an aviation officer continuation pay (AOCP) with an expiration date of September 30, 1988. The payment of up to $6,000 a year was limited to aviators in critical aviation specialties. DOD submitted the Aviator Continuation Pay (ACP) to replace the AOCP. Additionally, DOD requested a permanent authority available to all the military Departments.

The Congress authorized the Aviation Continuation Pay effective January 1, 1989. Again this bonus is limited to aviators in critical aviation specialties. Only the Navy and the Air Force have implemented this program.

DOD is proposing an increase of up to $20,000 a year instead of the $12,000 a year presently authorized. Does your budget reflect the increased costs?

Answer. To my knowledge, the proposal to increase the bonus is still being staffed within DOD and has not yet been submitted formally. Consequently, we have not included the increased cost in our budget.

AVIATION CONTINUATION PAY

Question. This subcommittee also directed the DOD to determine the feasibility of integrating the incentive pays (flight pay and bonus) into one package, and elimination of other incentives that cause aviators to leave the service. In its December 1988 report to the Congress on Aviator Retention, DoD did not submit a proposal to integrate the bonus and flight pay. Do you know why?

Answer. As stated in the summary of the report, DoD concluded that a retention bonus would be the most efficient form of monetary incentive to improve pilot retention. As I have stated previously, the Navy and, I believe, some of the other services, would have preferred to see a raise in flight pay in addition to a bonus. But, given the high cost of a flight pay increase and the current fiscal climate, we did not think a flight pay increase was practical.

RETENTION

Question. What percentage of first-term losses go into the reserves? How about second-term losses?

Answer. The attached printout shows 37.3 percent of the first-term active duty losses entering the reserves and 10.3 percent are second-term losses.

Question. For the record, will you provide a breakout by specialty (MOS) and by grade of those first-term and second/term loses who go into the reserves?

Answer. The attached printout gives a breakout by specialty (Rate) and pay grade of first-term and second-term losses who entered the reserves.

[CLERK'S NOTE.—The printouts provided with the last two answers have been retained in the committee's files.]

ACTIVE VERSUS RESERVE UNITS

Question. Former Navy Secretary Lehman in a news article stated that the United States needs to change the balance between active and reserve forces. He stated that while the 600 ship Navy is about right, the ship ratio should be 450 active and 150 reserve instead of 550 active and 50 reserve ships as it is now. Admiral Boorda, do you agree with his assessment?

Answer. The CNO has stated that he is satisfied with the current active/reserve balance, supporting as it does our strategy, mission and tasks. He has also said that he does not envision dramatic mission migration in the foreseeable future. He recognizes the Naval Reserve's major contribution to the Total Force and will continue to promote mutual interoperability through modernization of the Naval Reserve.

Question. In response to a similar question, the CINC Transportation Command cautioned against putting too much in the Reserves too fast. He indicated that what we could end up with is two active duty forces. Do you agree with his assessment?

Answer. The concern expressed by CINC Transportation Command is that with the transfer of hardware assets to the reserves a concomitant growth of Full Time Support (FTS) reserve personnel occurs. As a rule of thumb the reserve mix on a ship is 80/20 percent active/reserve officer and 60/40 percent active/reserve enlisted. For Aircraft squadrons the active/reserve mix is 15/85 officers and 40/60 for enlisted. Active duty personnel for ships and squadrons are required to insure we have minimal manning for emergencies and be able to get platforms underway if required. They also provide some routine maintenance and train Selected Reserve in all aspects of ship and aircraft systems. Since our ships and squadrons are minimally active manned, there is also a requirement to provide a Full Time personnel "support tail" ashore to assist in providing routine preventive maintenance and repair of platforms. These Full Time Support personnel are necessary to insure all routine maintenance functions are accomplished as required to insure ships and aircraft have maximum operating time when Selected Reserve personnel are aboard.

The potential for two active forces exists from a mission point of view. NRF platforms primary mission is to train SELRES and to the maximum extent possible, provide mutual support to the active forces who must meet commitments worldwide. The question of accessibility of SELRES to man the NRF ships/squadrons is central to the planning for use of total force in meeting extended operations and emergent requirements. Unless reserve forces can be recalled under the provisions of 10 U.S.C. 673b to meet commitments and operations, NRF platforms and their FTS personnel within the context of an active force is questionable. In essence, the final result would be a large highly trained number of full time personnel and platforms which would be unavailable to assist the active forces in meeting worldwide commitments.

Question. What are your views on the current active/reserve mix of the Navy?

Answer. The maritime element of the national military strategy is the principal source that guides all of the Navy's efforts to establish the optimum force size, composition of the force structure to meet the threat. Models have been developed which assist CNO in determining the effectiveness of the active/reserve force mix. Considerations include: Readiness, Availability, Demographics, Cost and Peacetime commitments.

The CNO establishes the optimum size and composition within the limits of affordability and attainability. CNO has stated that he is satisfied with the current active/reserve balance and does not envision mission migration in the foreseeable future. I support that view.

Question. For the record, provide what additonal roles the Navy Reserve can contribute to the Navy's total force. Also, indicate any offsetting reductions in the active component.

Answer. There are currently 45 ships and 52 squadrons (comprising over 400 (aircraft) in the Naval Reserve. These units combined with other non-aircraft/ship units result in the Naval Reserve having over 50 percent of the Navy's capability in 12 mission areas. This mission capability presents problems to Navy planners who are concerned that these forces may be required, but not available during increased peacetime optempo or regional conflict scenerios short of war or general mobilization.

CNO's position is that he is satisfied with current reserve mission capability and force mix, supporting national strategy, mission and tasks.

Aspects to be considered when considering additional roles for the Naval Reserve include:

Quality of life for the Active Component will be significantly reduced as the turnaround deployment time is shortened because of reduced active duty platforms attempting to maintain worldwide operational commitments. This will impact retention, morale and utlimately readiness. Additionally, decreased retention will impact on skill quality, recruiting and training costs.

The limited accessibility of Selected Reserve Personnel to support contingency operation short of Mobilization. The equipment is there; it is combat ready. The problem is the historical reluctance, for a variety of reasons, to employ voluntary recall of Selected Reserves.

SELRES demographics must be considered, personnel must reside within reasonable distances to platforms, or the result will be manning shortfalls and exorbitant travel costs.

Would require a concommitant growth in Full Time Support and Selected Reserve end-strength which was capped last year and projected for a minor increase in the new budget. Even with additional SELRES end-strength, there is a limit to the availability of personnel with the right experience and proper skills to man ships-aircraft.

MORALE, WELFARE AND RECREATION (MWR) PROGRAMS

Question. In the FY 1989 Authorization Act, Congress directed that MWR activities be recategorized: Category A activities can be fully funded with appropriated funds; Category B, up to 70 percent appropriated funds and the remainder with non-appropriated funds and Category D, no direct appropriated fund support (by October 1, 1990).

Child care/developmental centers are in Category B. What is in your budget for child care services? What proportion of appropriated fund versus non-appropriated fund does the Navy use for their child care programs (excluding construction)? In your view, is this sufficient? Is the Navy able to accommodate the child care needs of single parents especially those who go on short deployments or those who must work on shifts?

Answer. Total annual budget is approximately $30 million/year (appropriated and non-appropriated). We spend $10.2 million in appropriated funds for child care in FY88 and have $12.6 million budgeted in FY89. Our FY88 appropriated funds represented 31 percent in proportion to 69 percent for non-appropriated funds. This is not sufficient. We are religning appropriated funds from MWR revenue-generators where possible and have initiatives underway to increase funding for this priority program.

Our child care programs do not accommodate children of members on shore deployments since we do not provide foster care services. Members are required to have a dependent care plan which provides for the care of their child while on deployment.

Family Home Care is encouraged as the best option for meeting the needs of shift workers. It is not economically feasible to keep centers open for extended hours.

Question. Opens messes are now in Category D. Will the Navy need to close open messes that are not generating revenues?

Answer. Those messes that are unable to adequately adjust their operations to the reduction in appropriated support will have to do one of the following: either reduce the scope of their operations and consolidate with other messes on the base; receive nonappropriated fund subsidies in those cases where the need for club services on a base is compelling (e.g. no suitable alternatives off base); or close.

During the next five weeks, every command in the Navy will be conducting a complete assessment of all on-base clubs and other food & beverage operations. The purpose of the assessment is to determine what we have versus what we need and what we are able to sustain financially. The process will include patron interest surveys as well as financial and operating reviews of each facility. Every base commanding officer must make a conscious decision about each operation. Essentially, his choices will be to find ways to improve sales, cut costs, consolidated or close. We expect consolidation or closure will be the only logical choices in many cases.

This is not to say we would completely discontinue club services on a base. In many cases, there simply are no suitable alternatives available. While a base offically may not be considered remote and isolated, off-base prices may be prohibitive (as in San Francisco or Hawaii), adjacent neighborhoods may be undesirable or dining and entertainment alternatives are too far away for a sailor without a car or with limited time (as at Whidbey Island). Some bases are too small to support a club or food & beverage operation without subsidy but the need for such a facility remains. If necessary, we will subsidize operations such as these with nonappropriated funds.

To achieve self-sufficiency, we recognize that we will have to offer food, beverage, entertainment and catering with less emphasis on rank-segregated clubs. If there is an insufficient patron base or inadequate demand, one or two facilities may have to suffice instead of our traditional officers'-chiefs'-enlisted club configuration. We have already successfully completed some conversions to all-hands operations and expect to see more, especially all hands dining and catering operations. As in the private sector, we will allow the forces of market demand to determine what we offer.

[CLERK'S NOTE.—End of questions submitted for the record.]

Mr. MURTHA. Thank you very much, Admiral.

Admiral BOORDA. Thank you, Mr. Chairman.

THURSDAY, APRIL 6, 1989.

NATIONAL GUARD AND RESERVE FORCES—OVERVIEW

WITNESS

HON. STEPHEN M. DUNCAN, ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS, OFFICE OF THE SECRETARY OF DEFENSE

INTRODUCTION

Mr. MURTHA. The committee will please come to order.

This morning we will be discussing the Defense Department's fiscal year 1990 budget request for the National Guard and Reserve program. Guard and Reserve units continue to play an increasing role in the "Total Force."

Almost $16 billion is being requested for personnel and operation and maintenance expenses of the Reserve Components. When you include active duty personnel, procurement, and military construction funds, the total is $18.5 billion.

The end strength of the Selected Reserve is 1,178,300, which is an increase of 5,400 over fiscal year 1989 authorized strength, which is less than one percent growth. This compares to approximately 2.1 million personnel on active duty.

Our first witness this morning is the Honorable Stephen M. Duncan, the Assistant Secretary of Defense for Reserve Affairs. A little later this morning we will hear from the Navy and Marine Corps Reserves. This afternoon's testimony will be in support of the Reserve and National Guard of the Army and Air Force.

Secretary Duncan, we are pleased to have you with us this morning and we will place your statement in the record. Please summarize your statement at this time.

SUMMARY STATEMENT OF MR. DUNCAN

Mr. DUNCAN. Mr. Chairman, I am going to be brief this morning. This has been a rather busy week. We are involved in the President's National Strategy Review and the Defense Resources Board is meeting this week. I have submitted a lengthy statement. I would like to make a couple of introductory observations.

I think it is fair to say that in the decade of the 1980s the Reserve forces of the United States have been given more military capability and have been made more ready than at any time in the peace-time history of the nation.

Having said that, it is important to recognize that we still have significant challenges. We are currently engaged in the process of exploring how we might more profitably use our Reserve forces, and determining what opportunities exist for additional missions and roles for Reserve forces. As we do that, I would simply urge all of us to remember that we simply can't ask our Reserve forces to assume more and more, without giving them the tools to do the job. I said that at my confirmation hearing back in October, 1987, and I still believe it. They are receiving resources, but we are asking them to do more, and they have to be equipped and trained to perform.

The budget that I am here to defend this morning, the one submitted by President Reagan, calls for essentially a no-growth budget for the Reserve components except for modest gains in manpower, and I think we all have to realize that fact.

With that, Mr. Chairman I would be happy to respond to any questions that you may have.

[The statement of Mr. Duncan follows:]

PREPARED STATEMENT OF
THE ASSISTANT SECRETARY OF DEFENSE
FOR RESERVE AFFAIRS

HONORABLE STEPHEN M. DUNCAN

HEARING BEFORE THE SUBCOMMITTEE ON DEFENSE
HOUSE APPROPRIATIONS COMMITTEE

APRIL 6, 1989

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
SUBCOMMITTEE

ASSISTANT SECRETARY OF DEFENSE

(Reserve Affairs)

STEPHEN M. DUNCAN

Stephen M. Duncan was nominated by President Reagan to be Assistant Secretary of Defense for Reserve Affairs on August 7, 1987, was confirmed by the United States Senate on October 23, 1987, and took the oath of office on October 26, 1987.

Mr. Duncan was born in Oklahoma City, Oklahoma, on March 28, 1941. He graduated from the U.S. Naval Academy in 1963, receiving his B.S. Degree and a commission as Ensign, U.S. Navy.

He served as a deck and watch officer aboard U.S.S. ESTES (AGC-12), an amphibious flagship which directed amphibious landings near Chu Lai, Vietnam in the Spring of 1965. He subsequently served as the Weapons Officer aboard U.S.S. CARRONADE (IFS-1), the flagship of a division of four rocket ships which provided close-in gunfire support to ground forces in Vietnam. His decorations include the Navy Commendation Medal (with Combat "V"), the Combat Action Ribbon, the Republic of Vietnam Cross of Gallantry (Bronze Star), the Navy Unit Commendation and various other unit citations and campaign medals related to his service in Vietnam.

In 1967, Mr. Duncan was appointed Assistant Professor of Naval Science at Dartmouth College where he taught Naval Engineering and Naval History. He received his Master of Arts Degree in American Government from Dartmouth in 1969.

Mr. Duncan transferred to the U.S. Naval Reserve in 1969. He holds the rank of Captain, U.S. Naval Reserve and is a recipient of the Armed Forces Reserve Medal.

Assistant Secretary Duncan attended the University of Colorado School of Law and received his J.D. Degree in 1971. He served as Assistant U.S. Attorney in 1972-73. From 1973 to 1987 he engaged in the private practice of law in Denver, Colorado, most recently as a partner in the Denver firm of Hopper, Kanouff, Smith, Peryam, Terry and Duncan. His practice was concentrated in the trial and appeal of complex commercial disputes in both federal and state courts.

Mr. Duncan is a member of the Bar of the U.S. Supreme Court, the State of Colorado, the U.S. Court of Military Appeals and other federal courts. He has published articles in professional journals. He is a member of the faculty of the Trial Advocacy Institute at the University of Virginia Law School and in 1982 he was elected a Fellow of the International Society of Barristers. He has served as an elected member of the Board of Governors of the Colorado Bar Association, the Board of Trustees of the Denver Bar Association, and of other bar organizations.

Assistant Secretary Duncan is married to the former Luella Rinehart of Santa Monica, California. They have two daughters. Kelly is a Midshipman Third Class at the U.S. Naval Academy. Paige is a sophomore in high school.

Mr. Chairman and Members of the Subcommittee:

I am very pleased to have the opportunity once again to appear before this committee to discuss both the manner in which the Reserve forces of the United States met the difficult challenges of the 1980's, and our plans for fulfilling our commitment to readiness in the 1990's. As we engage in the task of formulating our national security policies for the future, it is particularly timely to reflect upon the state of the Total Force Policy and the degree to which we have successfully integrated the Reserve and Active forces to carry out our national security objectives.

An understanding of the Total Force Policy must, of course, start from the premise that Americans have always been suspicious of large, professional, standing armies. While debate has continued within the Armed Forces since at least the end of the Civil War as to whether the nation is best served by the largest possible cadre of professional soldiers in skeletonized units into which wartime recruits or draftees can be absorbed, or rather by the maintenance of a small, ready, Regular Army while citizen-soldier Reservists receive peacetime training to prepare for rapid mobilization when the war tocsin sounds, American citizens have seldom supported large military forces in peacetime. They have come to expect that in wartime, the nation will call them to leave their civilian jobs and to join the Armed Forces until the conflict is over. Observers have noted that our country has survived several major wars with a local militia system based wholly, or at least substantially, on the recruitment of volunteers in peacetime.

Winston Churchill noted that "there are no people in the world who are so slow to develop hostile feelings against a foreign country as the Americans," and that "there are no people who, once estranged, are more difficult to win back." However commendable this reputation might otherwise be, it is dangerous in the modern world to assume that in future conventional conflicts, our nation will have sufficient time to mobilize and train sufficient numbers of citizen-soldiers. In order to minimize the risks which are associated with our tradition and to achieve the most cost-effective balance between our Reserve and Active components which meets our national security needs, our National Guard and Reserve forces have been given significantly expanded peacetime operational responsibilities in recent years, as well as greater wartime missions.

As late as 1980, however, the theory behind the Total Force Policy could not be effectively implemented. By almost any standard, the condition of the Reserve forces was serious. In 1980, the strength of the Ready Reserve, i.e., the Selected Reserve and Individual Ready Reserve, was 1.3 million. A combination of austere procurement budgets during the previous decade and a de facto policy of allocating almost all first-line equipment to the Active forces, had created both obsolescence and a major shortage of equipment in the Reserve forces. As with the Active component, there was an immediate need for improvement in the readiness and sustainability of the Reserve forces. Civilian and military leaders also had widely divergent attitudes not only about the then current capabilities of Reserve forces, but even about their potential.

Today, the circumstances of the Reserve forces are dramatically different. A series of policy initiatives by the Department of Defense and legislative actions by Congress have resulted in a Total Force that few members of the Reserve forces who retired before 1980 would recognize. The increased appropriations of the early 1980's, for example, permitted the purchase of substantial amounts of modern equipment for the Reserve components.

Increases in the availability of resources for the purchase of modern equipment, however, required a revision of equipment distribution policies. It made neither military nor management sense to have Reserve and Active forces competing for badly needed equipment. In June, 1982, the Department of Defense provided new guidance to the Joint Chiefs of Staff and to the Services, by directing that:

> "The long-range ... goal of the Department is to equip all Active, Guard and Reserve units to full wartime requirements .:. [U]nits that fight first shall be equipped first regardless of component.
>
> * * *
>
> ... early-deploying ... Guard and Reserve units must have equipment to perform their missions. Active and Reserve units deploying at the same time should have equal claim on modern equipment inventories."

The subsequent success in obtaining modern equipment for the Reserve forces has been matched by the growth in the size of those forces. Since 1980, the strength of the Ready Reserve

Forces has increased by more than 350,000 personnel, an increase of 29 percent. The bulk of that growth has taken place in the Selected Reserve, which has increased by some 32 percent. Today, the Ready Reserve Forces of the United States total more than 1.64 million personnel.

Successful efforts have also been made to improve the quality of the personnel who serve in the Reserve forces. The improvements have been substantial during this decade and it can be seen and measured in various ways. In 1988, for example, 92 percent of the enlisted National Guard members and Reservists were high school graduates and 95 percent scored "average" or "above-average" on the Armed Forces Qualification Test. This represents a 20 percent increase in the number of high school graduates and a 20 percent increase in the scores on AFQT since 1980.

Perhaps an even more meaningful and obvious measure of what has happened to the Reserve forces during the 1980's, is the nature of the broad peacetime operational responsibilities which have been assumed by those forces on a regular basis. By way of brief example only, it should be noted that Air Force National Guard and Reserve personnel airlifted troops to Honduras when they were ordered there by President Reagan last spring and they have flown humanitarian relief supplies to Armenia, Central America, and Jamaica. Air National Guard pilots continuously fly routine air defense missions with F-16 aircraft. Naval Reservists have assumed shipping-control responsibilities and have served as part of the crews of the minesweepers and other ships which have been deployed to the Persian Gulf. Personnel from the Army's Reserve components are providing significant maintenance support in Europe and are still serving at Joint Task Force Bravo in Honduras. Marine Corps Reserve in-flight refueling aircraft regularly support Active component tactical aircraft flying worldwide.

The training of National Guard and Reserve units has been tied primarily to the wartime mission of each unit. We have insisted that Reserve Force units utilize the same training methods, the same performance standards, and the same readiness criteria as their Active service counterparts. We have placed increased emphasis on combined arms and joint service training in order to expose our Reserve forces to current battlefield tactics. We have undertaken various training initiatives (some of which are discussed later in my Statement) to ensure that National Guard and Reserve forces are ready to mobilize and to fight.

I believe that we may fairly conclude that the growth in the importance of our Reserve forces since 1980, our increased reliance on those forces, and the improvement in the capability of those forces has been nothing short of dramatic. Americans have every right to be proud of our Reserve forces because they are, in fact, the best in the world.

It is also clear, however, that several challenges remain. As we explore even more cost-effective ways to maintain a strong defense force through greater reliance on our Reserve forces, it is essential that we continue to address those challenges with candor and with energy.

READINESS AND TRAINING OF RESERVE FORCES

At my confirmation hearing in October 1987, I noted that my primary focus as Assistant Secretary would be on the combat readiness of the National Guard and Reserve forces. It is, and has been.

The substantial improvement in the capability of our Reserve forces has not, however, eliminated all readiness problems. In 1986, my office identified a problem area that could have a significant impact on the sustainability of our forces on the battlefield. The problems involve our support forces, especially combat service support forces. The problems are not unique to the Reserve forces, but because approximately 70 percent of the combat support and combat service support units that would be required in a short notice, conventional conflict of any significant magnitude are units from the Reserve components, the problems have been the focus of a great deal of our attention. Many of the problems are related to our ability to provide sufficient combat medical care. I will address these problems later in my Statement.

Readiness is, of course, one of the four "pillars" of military capability (the others being force structure, modernization of equipment and sustainability), and it includes tangible components such as numbers of people, and intangible components such as leadership and morale. Readiness is, however, a critical factor and one that depends to a very great extent on training. In his final report to Congress on the FY 1990/FY 1991 Biennial Budget, former Secretary of Defense Carlucci observed that training is the cornerstone of combat readiness and that early-deploying units will be only as ready for war as their peacetime training has made them. It is a fact that many early-deploying units in any sizeable conflict would be Reserve forces.

Fiscal constraints have prevented us from fully correcting many of the readiness challenges which face the Reserve forces, (e.g., equipment shortages, inadequate facilities), and many of those challenges are the result of factors which are unique to Reserve forces. Some of them have the potential to become more troublesome as the Reserve components assume additional wartime missions and peacetime responsibilities under the Total Force Policy. These factors include limited training time (mandated by law and normally, 38-39 days per year), turbulence in force structure and the missions assigned to Reserve units, training courses which have been designed for Active personnel, the high mobility of young men and women who serve in the Reserve forces, excessive attrition of trained Reserve personnel, the broad geographical dispersion between individual Reservists who serve in a particular Reserve unit, and insufficient numbers of full-time support personnel. Several initiatives have been taken during the last year to eliminate or at least reduce the effect of these obstacles.

One of the most significant actions has been the development of the Army's Reserve Component Training Strategy. The Task Force which was charged with the responsibility of developing that strategy and an action plan to implement it has received the strong support of my office and the Army's leadership. One of my deputies was a member of the Task Force. I have been working with the Army's leadership in an effort to seek funding solutions for the implementation of the strategy, but several corrective measures are already being implemented, such as the renewed emphasis on the training of Reserve leaders, improvements in training management, (e.g., the reconfiguration of training courses to meet Reserve component needs, the prioritization of Active/Reserve component training resources on the basis of national strategy/mobilization needs, etc.), and a renewed emphasis on training which is related to individual military skills.

My office has also continued to search for other innovative means to improve the training of Reserve forces. One of my deputies chairs a DoD committee that includes representatives from each of the Services, JCS, each of the Reserve components, and selected OSD staff offices. The committee members exchange information on the training problems encountered by each Reserve component and how those problems are being addressed. We are focusing increased attention on the use of simulators and similar devices to increase the efficient use of the limited training time which is available to Reservists; we are examining the cost-effectiveness of civilian contract training programs; we are encouraging the use of regional training programs by the Services; and we have examined the feasibility of requiring increased training times for the Reserve components.

We attempt to stay abreast of new technology which will enable our Reservists to train more effectively. Instructional interactive video systems show great promise to lessen the hardship caused by the geographic separation of individual Reservists. We have supported the research, development and testing of one of these systems (referred to as the Reserve Integrated Information Management System--RIMS). So far, it has demonstrated exceptional flexibility for the long distance training of Reservists.

I have also taken every available opportunity to encourage Reserve leaders to seek ways to eliminate all unnecessary administrative routines in order to spend every minute which is available for training, on training. I have encouraged stability in Reserve unit and Reserve personnel mission assignments, and I have established a task force to recommend new policies to attack the unacceptable levels of personnel attrition in certain of the Reserve components.

The "military capability" of the Reserve components (i.e., the ability to achieve a specific wartime objective) is undoubtedly even better than their improved state of "readiness" as measured by certain objective criteria, but much remains to be done to improve the training of Reserve units and individual Reservists.

Overseas Training

Overseas training is particularly valuable. It provides realistic mobilization and deployment training; it also provides an opportunity to train under the operational chain of command; and it provides familiarity with possible areas of wartime employment.

Overseas training has been increased dramatically in recent years. In 1980, 400 National Guard and Reserve units trained in countries other than the United States. In 1988, 3,536 Reserve units or cells trained overseas. More than 82,000 personnel trained at locations in Germany, Norway, Korea, the Middle East, Panama, and other countries. It is our intention to continue such cost-effective training because of the broad and significant benefits which flow from that training and which cannot be obtained by other means.

RESERVE MANPOWER

Selected Reserve Manpower Trends

Since FY 1980, Selected Reserve manpower has increased by one-third to its largest peacetime level in modern history. (Note: The manpower and dollar figures which are included in this Statement are based on the budget submitted to Congress on January 9, 1989. The detailed review of the FY 1990-1991 budget amendment is still in progress.) It now comprises approximately 35 percent of the Total Force. The growth over the last decade was driven by an expansion in both the scope and type of missions assigned to National Guard and Reserve units as part of the Total Force Policy. For this reason, it is critical that our Selected Reserve units be trained and equipped to be able to mobilize on short notice. Selected Reserve strength increased by 7,500 in FY 1988. By the end of FY 1991, Selected Reserve strength is projected to exceed FY 1988 levels by more than 23,000.

TABLE 1

Selected Reserve Manpower*
(End-Year Strength in Thousands)

	Actual	Estimated	Projected	
	FY 1988	FY 1989	FY 1990	FY 1991
Army National Guard	455	457	458	459
Army Reserve	313	319	322	324
Naval Reserve	149	153	153	154
Marine Corps Reserve	44	44	44	44
Air National Guard	115	115	116	116
Air Force Reserve	82	84	85	85
Totals	1,158	1,171	1,178	1,182
Coast Guard Reserve	12	12	13	14

*Numbers may not add due to rounding

An increase in end-year strength of 1,500 for the Army National Guard and 5,000 for the Army Reserve has been planned over the period FY 1990 through FY 1991. The largest increase reflects growth in medical force structure. Also aviation, air defense, chemical, engineer, ordnance, military intelligence, transportation, and special operations units are being added to the force structure. In FY 1990 and FY 1991, as in FY 1989, the programmed strength of the Army Selected Reserve components will slightly exceed that of the Active Army.

Modest growth of 600 in both FY 1990 and FY 1991 is planned for the Naval Reserve. Half of the increase for each of these years reflects increased drill strength to meet Reserve physician and nurse recruiting requirements. The remaining growth will provide Ship Intermediate Maintenance Activity support and manning to support a net gain of three ships in the Naval Reserve Force between FY 1989 and FY 1991. By 1992, the Naval Reserve hopes to achieve its target assignment of 26 modern frigates.

The end strength of the Marine Corps Selected Reserve will increase marginally in FY 1990 and FY 1991, with a combined two-year increase of 500. The increases are for full-time support personnel for a KC-130T Tanker Squadron, an AH-1J Attack Helicopter Squadron, and recruit combat training.

The increases in end-strength which are planned for the Air National Guard and the Air Force Reserve, i.e., a total of 1,585 and 1,125 respectively for the period FY 1990 through FY 1991, will be for medical personnel and medical support units. The Air National Guard will also receive additional C-130s in FY 1990 and the Air Force Reserve will activate a second C-141 unit in FY 1991.

Full-Time Support Personnel

Concurrent with the expanded role of the Reserve forces, is the necessity for continued growth in the full-time support activities provided by military technicians, Active Guard/Reserve personnel, Active component personnel, and civil service personnel. The full-time support personnel organize, train, recruit, and administer the Reserve component forces while maintaining equipment and performing other logistical activities. Total strength for full-time support personnel at the end of FY 1988 was approximately 15 percent of the Selected Reserve.

The effectiveness of the training provided to drilling Reservists is directly related to the quality of the full-time support force. Consequently, our goal is to identify and fully fund the most cost effective strength levels which are needed for full-time support, and to ensure that those individuals become highly skilled in the planning and execution of programs and training in order to enhance both unit and individual mobilization readiness. We have requested an increase in full-time personnel of 2,742 for FY 1990, and an additional 903 for FY 1991. The requested growth is largely an effort to obtain full-time manning support for troop units being activated in FY 1990 and FY 1991, and to enhance medical recruiting. The slight decreases in civilian strengths reflect gradual elimination of Status Quo Technicians and a conscious decision to place greater reliance on AGR's and military technicians for support. Tables 2 through 5 reflect our full-time support program objectives through FY 1991.

TABLE 2

Full-Time Support (Year-End Strength)
Active Guard and Reserve (AGR)

	FY 1988 Actual	FY 1989 Estimate	FY 1990 Request	FY 1991 Request
Army National Guard	25,659	25,725	25,975	26,325
Army Reserve	13,341	13,344	13,707	14,081
Naval Reserve	21,782	21,991	22,320	22,595
Marine Corps Reserve	1,945	1,945	2,301	2,401
Air National Guard	7,709	7,948	8,531	8,481
Air Force Reserve	626	672	686	700
TOTALS	71,062	71,625	73,520	74,583

TABLE 3

Full-Time Support (Year-End Strength)
Active Component

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1991 REQUEST
Army National Guard*	745	745	745	745
Army Reserve**	1,299	1,299	1,299	1,299
Naval Reserve	7,748	7,006	7,471	7,435
Marine Corps Reserve	5,330	4,996	4,963	4,944
Air National Guard***	625	612	599	600
Air Force Reserve	633	605	592	603
TOTALS	16,380	15,263	15,669	15,626

*Includes Senior Advisors (Unit)
**Excludes AC in CONUSAs and Readiness Regions
***Includes Reimbursables

TABLE 4

Full-Time Support (Year-End Strength)
Civilians

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1991 REQUEST
Army National Guard*	2,449	2,606	2,606	2,606
Army Reserve	5,480	5,536	5,438	5,479
Naval Reserve	2,940	3,002	2,950	2,879
Marine Corps Reserve	352	352	352	352
Air National Guard*	2,396	2,497	2,297	2,194
Air Force Reserve	5,083	4,560	4,547	4,320
TOTALS	18,700	18,553	18,190	17,830

*Includes Title 5 and Title 32 civilian employees

TABLE 5

Full-Time Support (Year-End Strength)
Technicians

	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 REQUEST	FY 1991 REQUEST
Army National Guard*	26,332	25,920	26,257	26,447
Army Reserve	7,322	7,529	7,629	7,729
Air National Guard*	22,887	23,144	23,448	23,454
Air Force Reserve	9,111	10,027	10,090	10,037
TOTALS	65,652	66,620	67,424	67,667

*Includes only dual-status military technicians

Individual Ready Reserve

The Individual Ready Reserve (IRR) is our principal source of trained individuals to fill wartime manpower shortages in Active and Reserve units, to replace unskilled or partially skilled unit members, and to replace combat casualties during the first 120 days of a full mobilization.

The Army, Navy, and Air Force have used IRR Reenlistment Bonus Programs to reduce specific shortages in combat and other critical wartime skills. In FY 1987, my office initiated a requirement for eligible IRR personnel to perform at least one day of active duty during the year to permit evaluation of skill proficiency, to determine refresher training needs, and to confirm mobilization availability. The screening program also serves to reinforce the recognition by each Individual Ready Reservist of his legal obligation to notify his respective Service about changes in his personal status. Table 6 illustrates the IRR reporting results for FY 1988.

TABLE 6

IRR Reporting Results

	IRR Total	Ordered to Screen	Screened	Show Rate
ARMY	292,857	179,680	98,509	54.8%
NAVY	83,969	22,596	18,401	81.4%
AIR FORCE	55,914	17,882	15,644	87.5%
MARINE CORPS	42,389	18,552	15,415	83.6%
TOTALS	475,129	238,710	147,969	62.0%

While budgetary constraints currently preclude the annual screening of all eligible IRR personnel, we believe strongly that a periodic screening program should be continued.

The IRR Screening Program has had a positive effect on the management by each Service of the IRR. Each Service has indicated that the screening program has improved its ability to manage and screen IRR personnel; initiated reviews of separations unrelated to actual performance, such as pregnancy and hardship; increased the use of IRR bonuses for critical skills; and facilitated more aggressive attempts to obtain current addresses for non-locatable IRR members.

As in FY 1987, FY 1988's IRR screening program highlighted problems associated with an Army IRR retention policy established in the 1979 Defense Authorization Act. That legislation directed the Secretary of the Army to retain many individuals in the IRR that normally would have been discharged. The provision was established to help overcome serious Army IRR manpower shortages that existed at that time. This policy needs to be reexamined.

The IRR Screening program has generated some unexpected benefits. Each Service has discovered that a portion of its IRR indicated interest in a Selected Reserve program (over 10,000 were planning to join the Selected Reserve). All of the Reserve components concluded that the screening program is an excellent way to update IRR data bases.

Table 7 reflects the Individual Ready Reserve Strength profile by Reserve component.

TABLE 7

IRR Strength

COMPONENT	FY 1988 ACTUAL	FY 1989 ESTIMATE	FY 1990 PROJECTED	FY 1991 PROJECTED
Army National Guard (ING)	8,972	10,507	10,507	10,507
Army Reserve	292,857	295,116	329,476	431,965
Naval Reserve	83,969	90,000	113,600	135,000
Marine Corps Reserve	42,389	49,000	54,000	74,000
Air Force Reserve	55,914	43,900	43,900	43,900
TOTALS	484,101	488,523	551,483	695,372

The Army IRR strength has grown from 150,000 in 1977 to 292,857 (246,200 enlisted) in FY 1988. In FY 1988, 6,000 (2.4%) Army enlisted personnel were transferred to the IRR in lieu of discharge for the following reasons: unskilled (did not complete training), unsatisfactory performance, unsuitability, pregnancy, hardship, dependency, parenthood, Secretarial authority, or failure to meet medical standards. Approximately 31,762 members (10.8%) were transferred as a result of unsatisfactory participation in Selected Reserve units.

I am particularly concerned with the reliability of this last group. During the FY 1988 screening program, a large portion did not respond for the screening as required. It is clear that these members are not likely to honor their IRR commitment any better than they honored their commitment to the Active Force or Selected Reserve.

Selected Reserve Recruiting

Demographic projections for the next five to seven years indicate a declining population of young, qualified candidates for military service. During FY 1988 we experienced a drop in enlistments of 18,000 (8 percent). The decrease in enlistments was the result of a reduction in the Services' recruiting objectives and a decrease in the number of funded training spaces for Reservists. Reserve manpower recruiting objectives were lower in FY 1988 due to the successful buildup of the Selected Reserve between FY 1979 and FY 1987 and fiscal constraints.

Improved Reserve training opportunities, the increased prestige of the Reserve forces, and incentive programs such as the Montgomery GI Bill have all contributed to the success of recruiting and retention programs. Prior-service enlistments exceeded non-prior service enlistments by more than 37,700 during FY 1988, slightly less than 59 percent of total enlistments. The Selected Reserve now includes a record high total of 1,158,300 men and women.

Table 8 summarizes Selected Reserve enlisted recruiting from FY 1980 through FY 1988.

TABLE 8

DoD Selected Reserve
Enlisted Accessions
FY 1980 through FY 1988

CATEGORY	FY 1980	FY 1985	FY 1986	FY 1987	FY 1988
Prior Service	128,400	143,200	147,900	135,000	128,200
Non-Prior Service	93,700	85,600	102,600	102,500	90,500
TOTALS	222,100	228,800	250,500	237,500	218,700

As I indicated earlier, the quality of our enlisted personnel remains high. More than 92 percent of non-prior service enlistees have a high school education or equivalent, and more than 95 percent tested in categories I-III on the Armed Forces Qualification Test. The overall improvement in the quality of recruits since 1980 is substantial, as shown in Table 9.

TABLE 9

Selected Reserve Enlistments (DoD)
Quality Indicators

	High School Graduates*	Grads.as % of Tot. Enlist.	Number of AFQT I-III**	AFQT I-III as % Tot. Enlist.
FY 1980	168,500	76%	172,200	78%
FY 1988	201,900	92%	206,800	95%

*Includes equivalency certificate and diploma graduates as well as high school students who enlisted prior to their graduation and were expected to graduate.

**AFQT Categories I-III include enlistees who score average or above on the enlistment test.

Recruiting Resources and Incentives

Recruiting resources are programmed to increase two percent in FY 1990, and one percent in FY 1991, in true growth (above inflation). Though the increase is small, with a major portion of the increase involving medical recruiting incentives, we expect to achieve our total year-end strength objectives. The authorized FY 1988 year-end strength for the Selected Reserve was 1,172,400. Actual year-end strength for FY 1988 was 1,158,400, over 99 percent of the objective. Growth in Selected Reserve year-end strength appears mainly the result of the attractive enlistment incentives available to new enlistees (i.e., enlistment and affiliation bonuses, loan repayment programs, and educational assistance).

TABLE 10

DoD Reserve components
Recruiting Funds by Category
(Current $ Millions)
(Includes New and Anniversary Payments)

	Actual FY 1988	Estimate FY 1989	Budget FY 1990	Budget FY 1991
G.I. Bill	107.5	103.4	103.6	103.5
Rec/Support*	423.3	437.8	451.7	472.2
Advertising	50.5	45.2	46.9	47.7
Bonuses**	92.9	101.5	110.0	114.8
TOTALS	674.2	687.9	712.2	738.2

*Includes military and civilian payroll costs associated with recruiting

**Includes enlistment (prior and non-prior service), affiliation, and IRR bonuses; educational assistance; and loan repayment programs for enlisted and health care officer personnel.

Advertising has played an important role in achieving recruiting objectives and improving the quality of Selected Reserve personnel. The Joint Recruiting Advertising Program (JRAP) has been particularly significant to the Reserve components. These high quality, national media presentations, many in conjunction with Active Force promotions, have been made on television, radio, magazines, and newspaper supplements. Of the advertising sums shown in Table 10, $2.0 million were earmarked for Reserve component advertising in the JRAP in 1988, 1989 and 1990. This is money well-spent as it serves not only to maintain high visibility in the public mind on military service, but also to effectively portray the diversity, challenges, and solid value of military experience for young people.

Table 11 identifies recruiting resources by Reserve component for the four-year period of FY 1988 through FY 1991.

TABLE 11

Recruiting Resources by Reserve component
(Current $ in Millions)

Component	Actual FY 1988	Estimated FY 1989	Budget FY 1990	Budget FY 1991
Army National Guard	279.5	275.5	269.9	279.5
Army Reserve	204.1	203.9	226.9	233.3
Naval Reserve	85.5	98.4	101.6	104.5
Marine Corps Reserve	23.6	24.7	24.3	24.2
Air Force Reserve	35.6	39.5	42.3	47.0
Air National Guard	43.1	45.9	47.5	50.9
Joint Adv.	2.1	2.1	2.1	2.1
TOTALS	673.6*	690.1	714.5	741.6

*Numbers may not total due to rounding.

The FY 1990 request for Selected Reserve recruiting is $24.4 more than the FY 1989 program. The FY 1991 request is $27.1 more than FY 1990 levels. We believe, even though this small increase hardly keeps pace with inflation, that the current incentive structure will provide for the continued success of the Reserve component portion of the All-Volunteer Force.

The Montgomery GI Bill

The Montgomery GI Bill is a valuable recruiting and retention tool for the Selected Reserve. Since participation in the program requires an obligated term of service of at least six years in the Selected Reserve, one measure of the value of the Bill is the increase in the number of six-year enlistments.

Comparison of the two-year period before the program's effective date to the two-year period of FY 1987 and FY 1988 reveals that Selected Reserve accessions into six-year or longer terms increased from 58.4 percent to 64.8 percent. Of course, not all of this increase may be attributable to the Montgomery GI Bill, since enlistment bonuses and general economic conditions also play a role in these decisions, but it was certainly a significant factor.

Participation in the program has shown steady growth since its inception in July 1985. Table 12 reflects the eligible population and participation rates by Reserve component through the end of FY 1988.

TABLE 12

Montgomery GI Bill-Selected Reserve Eligibles and Participants by Component

Reserve Component	Eligibles	Applicants	Percent of Participation
Army National Guard	139,197	43,197	31.0
Army Reserve	57,484	27,091	47.1
Naval Reserve	28,701	11,113	38.8
Marine Corps Reserve	13,738	6,413	46.7
Air National Guard	40,911	13,225	32.3
Air Force Reserve	27,197	7,214	26.5
TOTALS	307,228	108,253	35.4

Reserve Medical Personnel

Because the Services have placed such a large portion of their medical force structure in the Reserve components, my staff has worked closely with the Office of the Assistant Secretary of Defense for Health Affairs in a coordinated effort to achieve the ability to respond quickly and adequately to the anticipated casualty flow for various types of conflict. Supporting medical units are critical to the sustainment of a fighting force on the battlefield. The Department's emphasis on readiness has succeeded in re-directing growth in personnel programs toward reducing critical wartime shortages. The Combat Casualty Care Course which was first established under the Army in 1982, for example, has now evolved into a DoD-wide program and it has been tailored to the Reserve component training environment. During FY 1989, we will train more than 6,000 Reservists in this course annually.

In order to see first-hand both the nature and the scope of our combat medical readiness needs, I have visited U.S. Reserve medical units engaged in training exercises, I have met with German Reserve leaders to discuss the Wartime Host Nation Support aspects of the problem, and I have met with field commanders, such as the Commanding Generals of the 7th U.S. Army Medical Command (Heidelberg) and the 21st Support Command (Kaiserslautern).

It is clear to me that innovative thinking and perhaps, unconventional policies are necessary to effectively address the wartime medical readiness problems, especially those involving personnel. To that end, I have asked the Reserve Forces Policy Board to conduct a field study project (to be completed no later than September) which will focus on the obstacles that restrict the Department's ability to achieve required levels of wartime medical manpower. While additional resources are critical to success, I have asked the Board to explore and recommend to the Secretary of Defense possible solutions which would not involve additional appropriations by the Congress.

The Services have also initiated actions to meet our medical manpower needs. They have, for example, implemented a new stipend program that provides a basis for targeting the student-nurse market and the Individual Ready Reserve. My office has conducted a technical review and initiated a legal review to determine basic training requirements for enlisted participants to maximize the use of this option. Participation in the stipend and loan repayment programs continues to grow, but it is still far below expectations. We anticipate increased participation with the recent addition of recruiters to the Reserve medical recruiting programs.

We do, of course, greatly appreciate the support the Department has received from Congress for recent initiatives designed to address medical manpower needs. The increase in the maximum age for the appointment and retention of selected health professionals as well as the authority to award constructive service credit for professional experience should have a very positive impact on the recruitment of Reserve component physicians and nurses. The Department will establish a test program for determining the effect of special pay on reducing critical health professional wartime shortfalls.

During the course of our work with the professional medical associations this last year, we discovered a lack of awareness about opportunities for and service in, in the Reserve forces. This lack of awareness has undoubtedly been an obstacle to a major reduction of the critical wartime shortages of medical personnel. In order to address this concern, the Office of Health Affairs designed a National Awareness Program to include a Direct Mail Marketing Campaign and a National Media Campaign in professional health care journals and other media. The response rate to the mail campaign was over five percent, which is two to three times better than the expected response rate for similar marketing campaigns. The leads generated by the National

Awareness Program have been provided to the reserve medical recruiting commands of each Service.

I have been active in the Department's efforts to inform civilian health care professionals about service in the Reserve forces and the Loan Repayment and Stipend programs. I have talked to several groups of Reserve leaders, such as the Adjutants General of the National Guard, about our needs. I also participated in an employer awareness campaign which was conducted aboard the USS INDEPENDENCE at the Philadelphia Naval Shipyard last May. Over 1,400 employers attended from the States of New Jersey, Pennsylvania, and Delaware. The event was used to present a special message to nearly 300 of the tri-state area's top health care professionals, including medical administrators, representatives from medical colleges and teaching hospitals, and physician and nurse leaders. An appeal for assistance in the recruitment of physicians and other critically needed health care personnel was made jointly by myself and the Navy Surgeon General. We placed special emphasis on the availability of the Reserve incentive programs for physicians and nurses who were qualified, or in training, in one of the critically short wartime specialties.

As a result of that particular effort, the University of Medicine and Dentistry of New Jersey (the Robert Wood Johnson Medical Center) has initiated action to establish a medical Reserve unit at the school. Additionally, the interest of area health professionals in Reserve service was raised to the extent that the Navy is now receiving sufficient applications to begin the staffing of a new 500 bed Reserve fleet hospital. Several articles on Reserve opportunities have also been written for civilian and military publications.

The professional medical associations believe that a significant number of physicians and nurses will join a Reserve component if the time required for training is minimal. My office has explored this need in the context of the Individual Ready Reserve, and the Air Force is conducting a test program during FY 1989 and FY 1990 to test a type of reduced participation option. Under such an option, a Reservist-physician/nurse would receive five days of annual indoctrination, medical readiness training, contingency hospital familiarization, and a tour of active duty facilities. The Air Force is also exploring the possibility of recruiting surgical teams. This concept is similar to the very successful civilian hospital unit concept which was used during World War I and World War II. We are continuing our vigorous efforts to explore these and any other programs which may provide a readily accessible pool of qualified medical professionals to meet wartime requirements.

My office has developed a computer-based system to assist in the evaluation of the resource levels of Reserve component units. The system has contributed substantially to our ability to identify, track, and pursue solutions to Reserve component medical readiness problems. The Reserve Medical Management Information System (REMMIS) permits us to compare current wartime and peacetime medical personnel authorizations with actual manning levels for Reserve component medical units. We can also use REMMIS to analyze skill specialties, specialty matches, attributes of skill levels, and shortages/overages against peacetime and wartime authorizations. This data base is now complete for the Army Reserve, Army National Guard, and Air Reserve forces. The Naval Reserve data is under development. With this information stored and retrievable from REMMIS, we will have the ability to address personnel specialty shortages by a more effective targeting of recruiting activities.

My office has also initiated a study (to be conducted in FY 1989) of the nurse shortage problem. We hope to identify to what extent this shortage is related to retention problems. The study will analyze Reserve nurse accession and retention trends, and will also identify the demographic and socioeconomic characteristics of Reserve nurses. There have been several retention surveys made to identify the reasons that people remain in or leave military service. This is the first time, however, that actual patterns and trends will be analyzed to develop an action plan to increase our retention of nurses. The action plan will include specific strategies and programs for recruiting and retaining nurses with critical skills, necessary legislative initiatives, and implementation guidelines for the Services.

Included in the FY 1990-1991 budget are funds for medical incentives; 2,860 Selected Reserve medical billets; funds to train medical personnel serving a stipend obligation in the

Individual Ready Reserve; and 145 full-time support personnel to serve as medical recruiters. The funds programmed are $22 million in FY 90 and $42 million in FY 91.

The FY 1990-1991 budget contains the minimum essential resources we need to fund the incentive programs and previous Congressional authorities, in order to reduce critical shortages in the wartime medical specialties.

Selected Reserve Retention

As I observed earlier, annual Selected Reserve enlisted accessions decreased nearly 2.0 percent between 1980 and 1989, while enlisted end-year strength increased 34 percent. The growth in end strength is due to increased retention.

Reenlistment bonuses are paid to Reservists serving in designated critical military skills or units. Members are authorized to receive up to $2,500 for a three-year reenlistment and up to $5,000 for a new six-year term. In keeping with the guidance contained in the FY 1986 Defense Authorization Act to phase-in implementation of the maximum bonus amounts, bonus payments are currently limited to $1,500 and $3,000 for three and six-year reenlistments, respectively. These bonuses are also authorized for prior Active Force members who join the Selected Reserve to serve in critical military skills.

Table 13 shows total reenlistment bonus authority for FY 1988 through FY 1991.

TABLE 13

Selected Reserve Reenlistment Bonus Authority
(Current $ in Millions)
(Includes New and Anniversary Payments)

	Actual FY 1988	Estimated FY 1989	Budget FY 1990	Budget FY 1991
Reenlistment Bonuses	24.2	30.4	32.2	34.8

One measure of the importance of the reenlistment bonus is the current enlisted retention rate, particularly for those personnel completing their first term. Throughout the 1980's, the Reserve components have met or exceeded their annual first-term reenlistment objectives. That objective has increased from 50 percent in 1980, to 60 percent in 1988. The objective was raised to 65 percent for 1989 to accommodate increases in Reserve force structure and to reduce Reserve wartime personnel shortfalls. Table 14 shows the retention rate by Reserve component for first-term enlistees.

TABLE 14

Reserve Enlisted Retention Rates
First-Term Enlistees

Reserve Component	Percent FY 1986	Percent FY 1987	Percent FY 1988
Army National Guard	83	80	76
Army Reserve	66	65	60
Naval Reserve	89	82	80
Marine Corps Reserve	71	75	77
Air National Guard	90	82	78
Air Force Reserve	81	81	87

EMPLOYER SUPPORT PROGRAM

The work of the National Committee for Employer Support of the Guard and Reserve (NCESGR) is becoming increasingly important, and it has been the focus of a great deal of my personal attention since I assumed office. Grass roots organizations of volunteer business, labor, civic, and local military leaders are being developed in all fifty states, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands. The current number of volunteers is approximately 3,800.

Employer pressures on National Guardsmen and Reservists are common and becoming more severe. No other Reserve system in the world requires as much training time for its members as does ours. As Guardsmen and Reservists are asked to assume even greater responsibilities under the Total Force Policy, the periods of absence from the work place increase, as do employer pressures. We anticipate that during the current year, approximately one-third of the National Guardsmen and Reservists who leave the Selected Reserve before completing their first five years of Reserve service will leave because of employer pressures. The substantial costs of training replacements make it essential that we relieve those pressures. Several steps have recently been taken to that end.

The volunteer National Chairman of NCESGR was very successful in his first full year in reaching out to business and corporate leaders on behalf of the National Employer support program. In 1988 we hosted regional conferences in Detroit, Nashville, and San Francisco for volunteer business leaders who are involved in the Employer Support effort. Some 62 "Bosslifts" were also conducted by NCESGR last year. Each bosslift provided an opportunity for 40 employers to receive briefings from Department of Defense agencies on National Guard and Reserve responsibilities under the Total Force Policy and to observe Reserve training at such locations as the National Training Center, California; Nellis Air Force Base, Nevada; and Fort Carson, Colorado.

NCESGR's Ombudsman operation continues to serve as an important clearing house for the receipt and informal mediation of complaints, for guidance, and for the resolution of disputes with employers and managers. This effort is coordinated closely with the Department of Labor, through a mutually supportive working relationship at all levels. In 1988, NCESGR's national ombudsman staff acted on more than 6,194 inquiries/complaints. Additional Reservist employment problems were handled locally by state committee ombudsmen.

Two of our most important employer support initiatives are still being developed. The Advertising Council has produced two employer support (television) spots and the first will be aired nationally this spring. Our nationwide public service advertising campaign will be continued in FY 1990.

The second initiative has a much longer history. Since 1984, the Defense and Labor Departments have been working together on the development of a legislative proposal for the consolidation and modernization of the several provisions of Title 38, United States Code, which govern the re-employment rights of veterans and Reservists. This interagency effort, which includes incorporation of a considerable body of case law, will update the entire spectrum of the law involving Reservists and it will establish standards within the law to ensure equal protection for employees of Federal, State and local governments, and the private sector.

NATIONAL GUARD AND RESERVE EQUIPMENT

During FY 1988, the Department of Defense and the Services continued to improve the equipment posture of the National Guard and Reserve forces. The impact of DoD and congressional funding of Reserve component equipment in recent years is reflected in both improved capabilities and equipment fill rates.

On the basis of a representative sampling of 1,502 major line items in our FY 1990 report to the Congress on the status of National Guard and Reserve equipment, we have determined that equipment valued at $10.9 billion was delivered to National Guard and Reserve forces during FY 1988. This included 257 fixed wing aircraft, 173 helicopters, three ships, 893 tanks, and more than 10,500 tactical and support vehicles, plus engineering, communication and other equipment. Projections from this report indicate a declining level of distribution to the Reserve components, averaging $6.8 billion annually over the next four years.

On the basis of this representative sample, we project that if the National Guard and Reserve forces were mobilized during FY 1990, they would be able to field approximately 80 percent of their required equipment, in terms of dollar value. Through the use of available substitute items, this capability could be raised to approximately 85 percent. Equipment shortages still exist, however, and these shortages affect military capability. Some of the shortages are due to a lack of resources, but it is also clear that there has been uneven implementation by the Services of the Department's policy of "First to Fight, First to Equip." We are continuing our management oversight efforts to ensure that equipment is targeted on early deploying units, whether they are Reserve forces or part of the Active component; whether they are combat units or support units.

Even if we achieve a one hundred percent execution of our current equipment redistribution and procurement plans, equipment shortfalls will remain. Data from our FY 1990 National Guard and Reserve Equipment Report indicate a shortfall at the end of FY 1992 of approximately $8.6 billion. While this is a significant improvement over the $10-11 billion mobilization shortfall forecast last year, further progress in closing the gap between equipment-on-hand and wartime requirement is becoming increasingly problematical, given the limited availability of resources.

Service plans for FY 1990 Reserve component equipment procurement are contained in the Department's P-1R report which accompanies the President's Budget. It reflects the types, quantities, and costs of equipment items to be procured for the Reserve components. The report identifies $1.4 billion for National Guard and Reserve equipment procurement in FY 1990. Table 15 shows the total and Reserve Component Procurement Budget for FY 1988 through FY 1991.

TABLE 15

DOD PROCUREMENT
($ in Billions)

	FY 1988 Actual	FY 1989 Estimate	FY 1990 Budget	FY 1991 Budget
Total Procurement	81.6*	78.6*	84.1	91.9
Guard and Reserve Procurement	1.5*	1.7*	1.4	2.0
Reserve Component Percent of Total DoD Procurement	1.8%	2.2%	1.7%	2.2%

*Does not include funds appropriated in National Guard & Reserve Equipment, Defense Appropriation

In President Reagan's final budget, the Services requested a total of $1.385 billion in procurement. The amounts for each Reserve component are shown in Table 16.

TABLE 16

PROCUREMENT BY RESERVE COMPONENT
($ IN MILLIONS)

Army Guard	393
Army Reserve	100
Marine Corps Reserve	28
Naval Reserve	59
Air National Guard	627
Air Force Reserve	178

Certain procurement appropriations for the Reserve components establish procurement "floors" in the proposed appropriation language. The floors represent minimum funding and do not preclude the Services from spending more than the legislated funding level. This management concept permits flexibility and is not as restrictive as separate or dedicated appropriations for the Reserve components.

National Guard and Reserve Facilities

The maintenance of our present facilities remains one of our high priorities. For repair and maintenance activities of Reserve component facilities, we have requested $616 million in FY 1990 and $643 million in FY 1991. These funds reflect a reduction of $7 million in FY 1990 and an increase of $17 million in FY 1991 from the FY 1989 funding level. Affordability cut backs in FY 1990 and minimal increases in FY 1991 means the backlog of maintenance and repair will continue to grow as needed facility maintenance and repairs are deferred.

The FY 1990 Military Construction Budget is $463.6 million, a $141.5 million (23%) decrease from the appropriated FY 1989 program. The FY 1991 Military Construction Budget is $399.4 million, a $64.2 million (14%) decrease from FY 1990 and a $205.7 million (34%) decrease from FY 1989. Requirements based on the number of personnel and units, amount of equipment, and facility needs remain unchanged--only the amount of military construction funds available has changed. New equipment deliveries, equipment redistributions from Active forces, and dedicated Reserve component equipment funding have drastically increased the requirements for storage and warehousing. Increased emphasis on training, particularly for ground forces, has demonstrated the lack of maneuver, range, and training facilities. Affordability concerns in a constrained resource environment have forced the Services to carefully review all construction requests with a resulting emphasis on facilities that support new or expanded structure, equipment, or mission and training ranges. Most facility improvements and the replacement of deteriorated or functionally obsolete facilities have been deferred, increasing the Reserve component construction backlog to $7.8 billion. The Department has reviewed the Reserve component facility needs and the availability of funds, and has determined that the Services are supporting military construction for Reserve components at the same ratios as their Active component requirements.

I am pleased to report that the Reserve components continue to lead the Department in the percentage of construction projects awarded during the first year of eligibility. This success has permitted us to obtain the best possible use of the limited funds that are available.

COAST GUARD RESERVE

The Coast Guard Reserve is not, of course, managed by the Department of Defense in peacetime, but its role in Strategic Deployment is vitally important to our national security. The security of U.S. seaports of embarkation is the primary mobilization mission of the Coast Guard Reserve. The vast majority of the Coast Guard's port security capability resides in the Reserve component which is charged with the responsibility of ensuring that mobilized forces and war materials deploy safely through our ports and coastal regions. The significant port security manpower shortfalls of the Coast Guard Reserve, however, pose a serious threat to the strategic mobility forces of the United States.

At the request of the Congress, the Secretary of Transportation recently prepared a plan for the Coast Guard Reserve to achieve 95 percent of its wartime mobilization requirements for Selected Reserve strength, recruiting and training resources, and equipment and logistic support. The President's Budget requests an increase in the authorized strength of the Coast Guard Selected Reserve which will serve as a first step to resolve this shortfall over the ten year horizon as stipulated in the plan.

RESERVE COMPONENT DRUG INTERDICTION ACTIVITIES

Normally, the Reserve components provide support to drug interdiction operations that is limited by the provisions of the Posse Comitatus Act of 1878 and performed incidental to training for wartime missions. Support has been in the form of equipment loan, specialized training, and the sharing of information developed during flights or other training activities.

The FY 1989 Defense Authorization and Appropriations Acts provide for an enhanced drug interdiction, eradication, and enforcement role for the National Guard. Not less than $40,000,000 has been set aside to support plans submitted by the governors of the states for approval by the Secretary of Defense after the Attorney General's review. The additional service relating to drug interdiction will be performed in addition to required annual training, so the readiness of the National Guard should not be degraded. The Guardsmen will be under the command and control of state authorities, not in federal service (i.e., in state active duty or under Title 32), so there is no posse comitatus restriction.

The National Guard is providing significant support to the drug enforcement agencies, including the use of helicopters to transport law enforcement personnel and confiscated illegal drugs; the use of Military Police to search commercial cargo at ports and land border entry points; the use of special operations forces to identify ground and air traffic; the training of law enforcement agencies on equipment loaned for drug interdiction purposes; the use of aircraft photo reconnaissance capabilities; the use of radar to monitor air traffic. To date, fifty-one state/territory plans have been received; Guam has recently notified the National Guard Bureau that a plan is being developed. West Virginia and Vermont do not intend to use the appropriations, but will continue to provide support in State funded, State Active Duty status, and in conjunction with mobilization readiness training. I have reviewed and forwarded forty-nine of the fifty-one plans to the Attorney General for his consideration before final approval by the Secretary of Defense. The remaining plans are under final review within the Department of Defense. The plans for twelve states in the highest priority interdiction areas have received the approval of both the Attorney General and the Secretary of Defense, and are being implemented.

The contribution of the Reserve components to the crusade against illicit drugs has been and will continue to be substantial.

FORCE MIX AND THE INCREASING IMPORTANCE OF RESERVE FORCES

The military services rely upon the Selected Reserve to various degrees to augment personnel strength, to perform peacetime operational missions, and to be ready to perform wartime missions or missions in contingency situations short of war. Fiscal constraints and the related decision to restrain Army Active component and strength, for example, have led to a greater reliance on the Reserve components to bring Active Army divisions to authorized levels of combat, combat support and combat service support in wartime. The number of Active divisions requiring Reserve augmentation has increased from four in FY 1980, to nine today.

Reliance on all of the Reserve components continues to increase. Today, more than one-half of the combat power of the Armed Forces and two-thirds of the support forces are National Guardsmen or Reservists. The Reserve forces have demonstrated in recent years that they can assume greater responsibilities and compete favorably with Active forces, especially in the performance of certain missions, such as those requiring experienced pilots. Reserve forces do however, face significant challenges, due in great part to the rapidity to which changes in the implementation of the Total Force Policy have taken place in recent years and the factors that I noted above in my earlier comments on the readiness and training of Reserve forces. Those challenges make the question of proper force mix more complex than it appears at first.

Whether a particular mission should be assigned to Reserve forces or to Active forces depends generally, of course, upon the nature of the mission, i.e., the specific military capability that is required. Force mix decisions must necessarily address a broad range of factors, such as the comparative cost of

Active/Reserve forces; the availability of sufficient modern equipment of a type which is appropriate to the specific mission; the availability of sufficient numbers of personnel who are fully trained and who have the particular military skills that are required; the existence of an adequate CONUS sustaining base to ensure equitable overseas tours for Active forces; whether the mission under consideration requires forward-based forces; the urgency with which the particular mission must be performed in contingency situations short of mobilization; and other, similar factors.

In a time of constrained budgets and broad commitments, innovation is necessary as we seek ways to improve the Active/Reserve force mix. I recently visited an excellent example of such innovation in the form of the Army's Aviation Classification Repair Activity Depot (AVCRAD) in Brussels. Army National Guard units are rotated through this cadre organization during scheduled annual training periods. Superb training is received and the maintenance backlog of Active component aviation equipment is reduced. A similar idea will be implemented this spring when the first of six heavy equipment maintenance companies from the Army Reserve and Army National Guard will deploy to the Rhrine Ordnance Barracks, Kaiserslautern, West Germany, for 2-3 week periods to perform maintenance and conduct training.

CONCLUSION

The specific budgetary estimates for the Reserve components which are included in the pending Budget Request are as follows:

TABLE 17

RESERVE COMPONENT BUDGET REQUESTS
JAN 9, 1989, SUBMISSION
($ IN MILLIONS)

ARMY NATIONAL GUARD	FY 1988	FY 1989	FY 1990	FY 1991
MILPERS	3209.3	3299.1	3277.7	3422.1
O&M	1881.5	1796.1	1873.2	1904.5
MILCON	184.4	229.2	125.0	138.5
TOTAL	5275.2	5314.4	5275.9	5465.1
ARMY RESERVE				
MILPERS	2240.7	2211.8	2261.4	2378.2
O&M	879.7	792.6	867.1	907.6
MILCON	95.1	86.0	76.9	61.9
TOTAL	3215.5	3090.4	3205.4	3447.7
NAVAL RESERVE				
MILPERS	1513.0	1590.3	1583.1	1649.0
O&M	929.9	976.4	984.4	1014.1
MILCON	40.3	46.7	31.8	35.5
TOTAL	2483.2	2613.4	2599.3	2698.6
MARINE CORPS RESERVE				
MILPERS	295.4	315.1	319.2	337.7
O&M	69.5	77.6	77.4	79.4
MILCON	33.4	14.2	19.1	17.8
TOTAL	398.3	406.9	415.7	434.9
AIR NATIONAL GUARD				
MILPERS	988.2	1029.6	1047.0	1087.9
O&M	1958.1	1967.6	2055.8	2184.9
MILCON	151.3	158.5	164.6	107.2
TOTAL	3097.6	3155.7	3267.4	3380.0
AIR FORCE RESERVE				
MILPERS	615.1	654.4	668.7	696.3
O&M	1001.0	1031.5	1007.4	1043.1
MILCON	79.3	70.6	46.2	38.5
TOTAL	1695.4	1756.5	1722.3	1777.9
TOTAL DOD				
MILPERS	8861.7	9100.3	9157.1	9572.1
O&M	6719.7	6641.8	6865.3	7133.6
MILCON	583.8	605.1	463.6	399.4
TOTAL	16165.2	16347.2	16486.0	17105.1

The world is changing. Recent developments have encouraged our hopes for a prolonged period of peace. President George Washington reminded our fathers on several occasions, however, that there is nothing so likely to produce peace, as to be well prepared to meet an enemy.

In the last eight years, major gains have been achieved in the capability and readiness of our Reserve forces. Much, however, remains to be done. I solicit your continued, active support to ensure that we have the resources which are necessary to field Reserve forces that are well trained, well-equipped, and ready.

Mr. Chairman, this completes my statement. Thank you for the privilege of appearing before the committee.

ACTIVE/RESERVE FORCE MIX

Mr. **Murtha**. Mr. Secretary, one of the concerns that I have is that more and more missions are being given to the Reserves and the National Guard, whether it is drug related or other type missions, this additional responsibility calls for additional manpower.

Are you getting enough manpower and support funds to support those missions, and what can we do to help make sure the Reserves and National Guard is able to stay proficient?

Mr. **Duncan**. There are several answers to that question.

First, we are exploring two ways to have our Guard and Reserve forces do more. We may ask existing units to accept greater missions, and that is going to require greater personal involvement of the individuals already in those units.

We can also shift force structure from the Active to the Reserve components. That means we may be creating new Reserve units which don't presently exist. So there are at least those two ways that we could be asking our Reserve forces to do more.

With respect to the resources, we have a departmental policy, of course, which has been in existence since 1982 of resourcing first those units that would fight first, the early deploying units. I interpret that rather broadly, and I prefer to say that it is not just equipping those early deploying units first, but resourcing them in the way of training as well as equipment.

We have been making, I believe, significant progress in recent months toward doing that, but a big part of my job is to monitor that policies within the Department and to ensure that the Reserve forces receive the tools, in training, equipment, and other resources, which are needed to perform the new missions and responsibilities that we are asking them to perform.

Totally aside from the resources that Congress gives us, we are asking our Reservists to put themselves on the line with respect to their civilian employer and in many other ways. There are costs aside from dollar costs that are associated with asking our Reserve forces to do more, and we have to be very careful as we do that. We have to be very smart about the business of deciding what missions and responsibilities we ask our Reserve forces to assume to ensure that we don't cross that fine line, which is difficult to locate, but which we must constantly seek, in order to make sure that we have not asked them to do so much that all of a sudden we create retention problems. It is not an easy answer, but we are working awfully hard to find that line and to focus on it.

O&M SUPPORT FOR DEDICATED EQUIPMENT ACCOUNT

Mr. **Murtha**. Congress provided funds for dedicated equipment over the years. I remember when Secretary Weinberger came before this committee the first time, he talked about Total Force. He didn't mention the Reserve or Guard forces. I asked him about it, and he said, "We are integrated now, we are a total force, so we consider Active and Reserve as a total force."

The problem was DoD didn't budget sufficient funds in in our estimation for the equipment, didn't modernize the reserves at the same pace as they were modernizing the regular forces. So, we added funds for dedicated equipment.

Have you had sufficient O&M funds in order to buy the spare parts and to use that equipment as it has come on line?

Mr. **DUNCAN**. O&M, of course, goes to readiness, which is one of my hot buttons. It has so much to do with the readiness of Reserve forces. Last year we had to cut $33 billion out of the Department's budget, and I was part of that process. This week we are in the process of cutting an additional $6 billion, and we are having to make very difficult choices with options which are unattractive in many cases.

O&M is related to readiness, and the proposed budget is comparatively flat. It is adequate, but it is not going to improve the readiness.

Mr. **MURTHA**. You say it is adequate. I know that you are going to do what you can with the amount of money you have available, and that is the way it should be. But we are talking specifics now. We are talking about your job. The active Army is giving you more and more missions.

This committee is going to have to make a decision to see if we agree with the distribution of funds made by the White House or the DOD in the end. When you say they have cut back even though your missions have increased, it is pretty hard for me to believe that you can then keep your readiness at the same high level it has been for the past couple of years.

Mr. **DUNCAN**. We have not yet performed some of the substantial increases in missions that we are discussing. You are not going to be able to do that without increased money, absolutely, and we cannot ask the Reserve forces to do more without giving them the resources. All I am suggesting, is that as of today we are discussing what additional missions they can assume. We will need additional resources to perform those missions.

Part of my job is to tell you what we need and to make sure that we enforce the Department's current policy of resourcing first, those early deploying units that would fight first. We have had some uneven implementation of that policy, but part of my job is to ensure that the policy is implemented, so that at least when there are limited resources, and large commitments, that at least we outfit, train and prepare first, those Reserve or Active forces that would be going into any kind of a conflict first. We are having success with that policy, but I see my office as kind of the cop on the beat to make sure that it is complied with.

Mr. **MURTHA**. Secretary Lehman had an article in the paper about reducing the size of the Active forces and increasing the Reserve forces. A number of people have said they believe that the forces overseas could be reduced, but we ought to increase the Reserves.

Would we have the ability to recruit more people into the Reserves if we did reduce the size of the regular force?

Mr. **DUNCAN**. Our recruiting has been a success story. We do have some recruiting difficulties in certain geographical parts of the country. If we were free to assign and create Reserve forces anywhere in the country, I am confident we could meet our recruiting goals. Probably the article is the one that appeared a couple of Sundays ago in the Sunday edition of the Times. I agree with much of the thrust of that article, though, as I recall, he was suggesting that as much as a third of the force structure could be shifted from Active to Reserves.

I am not prepared to say that can't be done, but I feel uncomfortable speaking in broad generalities. I would prefer to define the mission and then look at what kind of units are best qualified to perform those missions. Some missions are ideal and lend themselves to performance by Reserve components. Other missions simply do not.

For example, strategic submarines perform a mission that would not lend itself to Reserve forces. But strategic airlift, tactical airlift, and tactical fighters are examples of some missions that Reservists can perform very well.

So instead of just saying, let's take a third of the force structure and transfer it to the Reserve components, I am urging in the Department that we look at all of the missions that need to be performed, then look at the advantages and the strengths of the Active and Reserve forces and take those advantages and apply them to the appropriate missions. The end result may be that we will be shifting more force structure to the Reserve components, but let's do it on a mission-by-mission basis.

RECRUITING

Mr. **MURTHA**. Would you be able to recruit the skills that you need? Isn't this always a problem in the Reserve, especially with the varied geographical areas that are involved?

Mr. **DUNCAN**. We've had success in recruiting prior trained people that are coming off active duty. One of the difficulties we have, is that youngsters come off active duty and move home, and they have good skills, but maybe the skills that are required for the local Reserve or Guard unit don't match the individual skills that they were trained for in the service.

So, one of our real challenges is to match the individual skills that the young people coming off active duty have, with the needs of the Reserve forces. Several steps have been taken in recent months. We are making progress there, but it is always going to be a challenge. Unlike our friends in the U.K. where young people tend to stay in the same geographical location, and associate with their local regiment, in the United States our youngsters are mobile. The training we give for one military skill might not apply to the skill that is needed in the Reserve unit they move to. We are taking steps to try to fix it.

Mr. **MURTHA**. You say you have been able to meet your recruiting goals until now. If the Reserve requirements were to increase substantially as the force structure is reduced in the regulars, would you be able to recruit a substantial increase in numbers of people in the Reserve forces?

Mr. **DUNCAN**. I am not challenging your question, but to answer it I need to know what the mission is, and what skills are we talking about. For example, if we are talking about ground forces, we know we have had some recruiting problems in certain states for some of the Guard units. We have no recruiting problems and, in fact, people are standing in line for pilot positions in the Air Guard and Reserve. I suspect that there will be some recruiting challenges depending on the mission; others would be very easy.

Mr. **MURTHA**. If ground forces in Europe were reduced, would it be much more difficult to recruit for these skills than it would be the specialty skills, like Air Wing and those kinds of skills?

Mr. **DUNCAN**. We have had good success in recruiting. We may have a pilot retention problem in the Active forces, but we don't have a pilot recruiting problem in the Reserve components. I am not trying to be evasive, but in order to answer your question, it is necessary to study specific missions and where the force structure might be shifted to the United States. I can then tell you pretty quickly what kind of recruiting success we can anticipate.

Mr. **MURTHA**. In order to fix requirements you would have to know what type of unit and where the unit was going to be located.

Mr. **DUNCAN**. Yes, sir.

Mr. **MURTHA**. In other words, you could recruit people better in some areas than in others in the United States?

Mr. **DUNCAN**. Yes.

Mr. **MURTHA**. Are there specific areas where you have real trouble recruiting?

Mr. **DUNCAN**. It varies by service. For example, the Sunbelt States and the South seem to be strong recruiting areas. I don't know all of the reasons why, but we know that much of the American public is moving to those areas. Some of the areas in the East and the Northeast have been more difficult for recruiting in recent months. General Burdick, you will be talking with him, and you might ask him about some of those. It is difficult to draw broad conclusions. Depending upon the skill and the types of units involved, in some areas we would have no recruiting problems at all, in others we do.

That is why I say as we go about these force structure changes, it is helpful to avoid broad generalities and be specific about the missions and the units.

Mr. **MURTHA**. If we start to reduce Active forces, you will have to have more funding for the Reserves, which is not something that the Active services have been pushing on you. Is your feeling that you would be able to meet substantial increases in the Reserves?

Mr. **DUNCAN**. I am sure that I will have to continue to fight for every penny that the Reserve Forces need.

Mr. **MURTHA**. I am talking about numbers of people. If you were given the money, could you increase the size of the Reserves substantially?

Mr. **DUNCAN**. It would depend upon the nature of the mission. For example, one of the things I constantly worry about is, is the nature of the mission one that requires more than the 39 days of training a year. Some of the missions require skills that they can't be obtained and kept current with only 39 days. If I tell potential recruits that they will probably have to train 50 days a year, what would be the effect on recruiting and retention? I am not sure.

Mr. **MURTHA**. You are saying it is much more complicated than just writing an article saying you would shift people from the Regulars to the Reserve.

Mr. **Duncan**. Yes, sir. I am urging that we explore possibilities. As we explore them, let's don't be under any illusion that it is quite as simple a task as has been suggested in some areas.

Mr. **Murtha**. Mr. Livingston.

DRUG INTERDICTION MISSION

Mr. **Livingston**. Thank you, Mr. Chairman.

Mr. Duncan, obviously over the last few years the Congress has become increasingly concerned about the drug situation in this country, and recently provided the Department of Defense with $300 million in fiscal year 1989 to help combat this problem.

What role do you play in determining whether and how much each of the Reserve components can be utilized in drug interdiction efforts of the DOD, and do you have any reservations about that role involving the Reserve components?

Mr. **Duncan**. No, I have no reservations so long as all of us remember that the armed forces, including the Guard, have the primary mission of maintaining war-time readiness in order to deter wars, and to win wars, if we have to fight one.

My role has been, especially in the last several weeks, to help the Department evaluate, and to advise the Secretary on those specific plans that were submitted by the 50 State Governors and Adjutants General to spend the $40 million that was appropriated last year. Those plans have been scrutinized in detail by the Guard Bureau for operational feasibility and so forth. I have been personally involved in that review process along with the General Counsel. The plans have been forwarded to the Justice Department. Secretary Cheney last week signed off on the first 12 State plans. Messages went to the Adjutants General immediately, and those plans are being implemented. I am playing an increasing role because we are using Reserve and Guard forces.

I understand that you are a former Federal prosecutor. The first case I ever prosecuted was a drug case. I urge that as we address this subject we remember that we are asking our part-time Guardsmen and Reservists to do an awful lot these days, to accept new missions in the world of war-time deterrence, and to accept this new mission. National Guardsmen and Reservists are enthusiastic and will do everything asked of them. Let's be careful that we don't ask too much of them so we don't start having retention problems, et cetera.

Mr. **Livingston**. I appreciate your reservations because there is that primary role. An additional one that concerns me is that these young Reservists and active duty soldiers as well are not trained as policemen, and so we have to be very careful on how closely we subject them to this threat. It is a risk of life and liberty, but it is also a risk of corruption that if it is not handled properly can undermine our ability to defend this nation.

In terms of the Reserve components alone, do you believe that they are being utilized to the fullest degree possible for drug interdiction and do you perceive any additional roles which the Reserves can play?

Mr. **Duncan**. There probably are some additional roles. This is not something that just happened in the last few months. Many of our Reserve units have for years helped in the interdiction efforts. For example, training missions for pilots. We have good data on the kind of interdiction missions that have been flown by Reserve units for some time. Can they do more? I think they can. There is a wide range of possibilities as especially in the area of Guard units. We are exploring everything from having National Guardsmen come in to police headquarters and take over radio dispatching services in order to allow that policeman to be on the beat on the streets.

I personally view the issue from the standpoint of having Reserve forces in a support capacity, not as policemen, but in support of law enforcement agencies. We could go from limited involvement to other extremes, such as cordoning off broad areas. We are exploring the question and trying to find out what we can do to make more effective use of the Reserve forces.

There is a great deal of enthusiasm in some of the Reserve forces for the drug mission. You are going to perform air interdiction for your war-time training, you might as well do it with live exercises. The difficulty is that it is not an even fit. If you send a Navy P-3 out and a Naval Reserve crew is flying it, some of the things the pilot and crew members would do for air interdiction can be used to interdict drug smugglers, but the guy who is the ASW specialist in the back of the plane may not be getting much training. So we have to be smart about it.

MOBILIZATION EXERCISES

Mr. LIVINGSTON. I might say there are obviously other members and other committees in this Congress who might be ready to put some of your Reserves to work right here in Washington, D.C.

In conjunction with the JCS exercise, Proud Scout 88, the department conducted a test of the notification and reporting system of the selected Reserve. There was a no-notice exercise of the President's authority to call up 200,000 members of the selected Reserve to active duty. The test was intended to evaluate the adequacy of the services' notification procedures and to see how many selected Reserve personnel would respond within 24 to 72 hours of notification.

Last year you testified that this test did work, the Reservists do respond, and that the system does work pretty well. Was there any similar exercise performed in fiscal year 1989, or any planned, and by which components, and what were the ground rules, and were they significantly different from what they were last year?

Mr. DUNCAN. We have not had a test call up for all services, but just last month the Army completed a rather significant test call-up. I have asked the Army to brief me, and they have, but we don't have the results. The initial reaction of the Army was that it was a very successful call-up. The thing that I was happy to hear is that the Army is looking at conducting such a call-up test on an annual basis.

I am very encouraged by what I think they are doing, and I look forward to future tests. There are no present plans of another test call-up involving all of the Reserve components like we had in October 1987, but we walk that fine line between testing the instant availability of Reservists, which I think we need to do, and making sure that the mere testing of our Reserve forces doesn't start to intrude with other training for people who have limited time to perform both.

Mr. LIVINGSTON. Thank you. Thank you, Mr. Chairman.

NATIONAL GUARD DUTY

Mr. MURTHA. Mr. Dicks.

Mr. DICKS. A recent news article stated that the Comptroller General ruled that Federal employees of the California Guard units called to fight the forest fires didn't qualify for military leave time. The ruling stated that because they were performing service and back-up jobs and were not engaged in military or peace-keeping activities, the workers would have to take their own vacation time rather than being paid military leave.

Have you heard about this ruling, and what are your views regarding it?

Mr. DUNCAN. Yes, sir. I saw a paragraph or two in some newspaper in the last week or ten days. My understanding is that it was a ruling by the Comptroller General that individuals who had engaged in forest fire activities were not entitled to the benefit. My understanding also, because I inquired, is that the Federal statute that is relevant says that if Guardsmen conducted activities in aid of law enforcement, they would have been entitled to the benefit and that the ruling of the Comptroller General was essentially a ruling that forest fire fighting is not "in aid of law enforcement".

I assume the Guardsmen were acting in their State status and not in their Federal capacity, that is, in a Title 32 status. My initial reaction is that the ruling does not preclude National Guardsmen from acting to aid law enforcement officials, that the statute provides protection for Guardsmen who do act in aid of law enforcement activities, and that it is probably okay. But, I am following the issue to find out what the implications are.

Mr. DICKS. It sounds like if you are a Federal employee and also in the Guard and you were asked to fight a forest fire, you have to take your own time off, and you are not allowed to get military leave.

Mr. DUNCAN. Guardsmen, when recruited, understand that they are going to have a Federal mission and a dual state mission, and they can't predict when they will be called to perform either. It is possible in some States, I suppose, that you could be called out as a Guardsman for forest fire fighting followed by earthquake, followed by something else and then be called by your Adjutant General to go help law enforcement agencies in support of the antidrug effort.

I am not apologizing for that, I am simply saying it is a fact. They come into the Guard recognizing the possibility. I will look into the issue. But I understand that that ruling of the Comptroller General would not preclude National Guardsmen from receiving the benefit of leave, and pay, and so forth when they are acting in aid of law enforcement activities.

Mr. DICKS. But not when they are doing a forest fire.

Mr. DUNCAN. Perhaps not when they are engaging in forest fire activities.

Mr. Dicks. Do you think that is a rational distinction?

Mr. Duncan. Whether it is, I am not sure. We need to look into it further.

Mr. Dicks. Would you, for the record, try to explain if there is a statutory underpinning for what he did? Maybe we ought to know about that and consider changing it.

Mr. Duncan. Yes, sir.

[The information follows:]

A strict reading of the statute authorizing military leave for Federal Employees probably could justify the ruling by the Comptroller General. We are currently reviewing this ruling and the existing statute to determine if it is appropriate to propose legislation to expand the existing law.

Mr. Dicks. What impact does this ruling have on the ability of the Guard to deploy personnel in case of emergency?

Mr. Duncan. It depends on what kind of emergency. My understanding of the headline was that the ruling was limited to forest fire fighting. It might have some limitation there, but the statute protects the leave benefits of Guardsmen who are called for emergencies involving support of law enforcement, so I presume it wouldn't affect that.

I better answer for the record.

[The information follows:]

I believe there would be limited impact on an immediate basis because when called, guardsmen have traditionally been very responsive. The impact, as I see it, would be longer term in that call ups where this limitation is put into play, could potentially have a negative impact on the Guard's ability to attract and retain Guard members.

Mr. Dicks. What impact would this ruling have on drug interdiction?

[The information follows:]

This ruling would not apply to Guard units who are supporting drug interdiction activities. Current law provides additional military leave to those Federal Employees who perform active duty with the Guard or Reserve for the purpose of providing military aid to enforce the law. Military support in the war on drugs would clearly fall into this category.

Mr. Dicks. What in your estimation needs to be done to correct the injustice of making an employee, who is providing a valuable service as a military member, from having to use up leave time?

[The information follows:]

The majority of emergency calls upon the Guard have in some form or another been in support of law enforcement. This situation where California Guardsmen were fighting forest fires without supporting law enforcement is somewhat isolated, however, the law should be examined to determine whether all legitimate emergency duty performed by Guardsmen and Reservists should be covered. The Department is considering legislation to support an expansion of existing law.

[Clerk's note.—See page 328 for the Army General Counsel ruling on this matter.]

Mr. Murtha. If the gentleman would yield, I was in the Secretary of the Army's office having breakfast with him, and I read in the paper months ago that they were going to deploy the National Guard, and he didn't know anything about it. Under the statute, any National Guard unit that is deployed in a domestic role is under the Secretary of the Army.

Are you aware of any deployment of the National Guard that could be made in a domestic crisis with the Governor using them?

Does the Governor have the authority to use the National Guard in his own State using police powers, or is there a limitation there?

Mr. **Duncan**. We are getting into a legal area. My understanding is that in the case of the District of Columbia, the Secretary of the Army occupies a particularly unique position, but within the jurisdictions of the individual States——

Mr. **Murtha**. He acts as the Governor in this case, because the President has delegated that authority.

Mr. **Duncan**. That is for District of Columbia. Within the jurisdictions of the individual States the Governors are the Commanders-in-Chief, and they can use their Guard forces on State active duty status any way they see fit.

Mr. **Dicks**. Does the Governor pay them?

Mr. **Duncan**. Yes.

Mr. **Dicks**. So it would come out of State funds, if he wanted to deploy them like in firefighting——

Mr. **Murtha**. Have any Guard troops been deployed any place that were paid by the State in recent years? Most of them are paid by the Federal Government. They are called up for a crisis, and we pick up the tab—we had a flood in Johnstown, they deployed troops, but the Federal Government paid them. The Governor called it an emergency, but the President declared it a national emergency and deployed them for security for a law enforcement role for a short time.

The Corps of Engineers came in also. I am worried about who has control of these forces? When the Guard deploys in a domestic situation, what is the amount of Federal control over these forces?

Mr. **Duncan**. It is my understanding of the law that if the Governor calls out his Guard purely in a state capacity to fight a local problem, that is within his jurisdiction and he has total control of those Guard forces in that capacity.

Mr. **Murtha**. He pays them with State funds?

Mr. **Duncan**. Yes. But, if they are used in a Federal mission, they receive Federal funding. When they go on active duty to train for their war-time mission, they are receiving Federal funds.

ACTIVE/RESERVE FORCE MIX

Mr. **Dicks**. Let's switch to another subject. Former Navy Secretary John Lehman in a news article stated recently that the United States needs to change the balance between Active and Reserve forces. He indicated that each service has too much of its force structure on full-time active duty. Do you agree with his assessment?

Mr. **Duncan**. I commented a few moments ago on that article. I think within each service there are opportunities to explore for greater use of the Reserve components of those services.

Having said that, the trouble I had with the article is simply that there were a lot of broad conclusions stated and there was not a comparable explanation of what facts the conclusions were based upon. When I hear broad statements about transferring an entire third of the force structure from Active to Reserve components, I would like to hear more about what the suggestion is, precisely which Reserve components, which units, which missions, et cetera, and then I can respond to it.

Mr. DICKS. Is the Bush Administration looking at this as one possible way to reduce costs and to change the force structure? You know, we have seen already some reductions in active duty force structure, but obviously an alternative to that would be to take some units and some responsibilities out of the active force and transfer it to the Guard and Reserve.

Mr. DUNCAN. Yes, sir.

Mr. DICKS. In the context of the two percent reduction or possible further reductions in defense spending, are you contemplating or reviewing these kinds of possibilities as alternatives; for reducing defense spending?

Mr. DUNCAN. The answer is yes. In fact, that kind of analysis has been going on since the early 1980. Depending on when you start in the year 1980, we have already had a net increase in the force structure of the Reserve components in the magnitude of 300,000 since that time. Even this week, as the Defense Resources Board meets in the Department, we are exploring other ways in which we might use forces of the Reserve components in ways that would result in cost savings, but where we would maintain equal military capability and effectiveness. So, it is an ongoing process.

Mr. DICKS. So, you need more specifics about the Lehman approach. We understand that, but you are not just standing over there doing nothing about it.

Mr. DUNCAN. Absolutely not.

Mr. DICKS. You are looking at alternatives of shifting some active duty responsibilities to the Guard and Reserve as one potential way of saving money?

Mr. DUNCAN. Absolutely. I was not objecting to the idea. In fact, I support the idea. I am suggesting that we have to be very careful about how we go about doing it, to this extent. We need to study the question on a mission-by-mission, unit-by-unit, case-by-case basis, and there are some opportunities, yes, sir.

Mr. DICKS. I support that. Isn't there also another basic truism here. You can't move responsibilities from the active force to the Guard and Reserve without having the resources and the billets and the authority for you to assume these additional responsibilities, isn't that basically correct?

Mr. DUNCAN. No doubt about it, we don't want a hollow Reserve component force structure.

Mr. DICKS. So there is cost associated with that?

Mr. DUNCAN. Absolutely, yes, sir.

Mr. DICKS. Is there any rule of thumb about what you can anticipate in savings if you move certain responsibilities from the Active force to the Guard and Reserves?

Mr. DUNCAN. If there is a rule of thumb that is that simplistic, I am not aware of it. The obvious savings, of course, come from the fact that Reserve forces are part-time forces. If we can assign missions to Reserve components that require only 39 or 40 days of training per year, that is less expensive just for salary and the infrastructure costs that are associated, than paying Active force personnel for 365 days a year.

But you don't save much on equipment because if you are going to ask the Reserve components to assume the missions, you have to give them the same first-line equipment that the Active force has.

PROCUREMENT BUDGET

Mr. DICKS. I notice in your budget, procurement got hit pretty hard, didn't it?

Mr. DUNCAN. Everybody got hit hard.

Mr. DICKS. In terms of your budget for the Guard and Reserve, the area that took the big hit was procurement?

Mr. DUNCAN. Yes, but we are still feeling the positive effects of the procurement decisions that were made in the early 1980s. The Reserve components today are still receiving some equipment that was purchased with procurement decisions made in the early 1980s, so as of today we are continuing to receive equipment. If we continue over a period of time and don't get new resources, there will be a period of time where the equipment becomes old and we start having the same kind of problems we had in the late 1970s.

Mr. DICKS. One suggestion apparently being discussed involves the transfer of one or two carrier air wings or one or two carriers to the Reserve components. How would that be structured?

Mr. DUNCAN. Well, I will find out. We are discussing that in the Department this week and next week and in the ensuing weeks. I am not sure. We have not had those discussions yet.

Mr. DICKS. This is under active consideration?

Mr. DUNCAN. I think it will be, yes, sir.

Mr. DICKS. How long will it take to implement such a decision?

Mr. DUNCAN. I am not sure about that. I am not sure that such a decision is imminent.

Mr. DICKS. Hypothetically, if a decision were made, how long would it take to implement it?

Mr. DUNCAN. I am not sure. I am anxious to hear from the Navy about what the manpower implications would be. One of the things I would want to know first, is how do we man the carrier; where will the sailors come from; how do we get the Reservists from lots of independent locations to where the carrier might be? I am one that thinks we have to think unconventionally and be imaginative in ways we have never been before.

Having said that, there are some real manpower challenges there, and I don't know what the Navy's response will be, so I am not prepared to tell you today where I come down on the issue.

Mr. DICKS. We will ask this question for the record, and if decisions are made, give you a chance to put a little more substance into the record.

[The information follows:]

A thorough study of this including demographics and manpower requirements could have to be made, however, the transition of a Carrier Air Wing would probably require at least three years. This estimate is based on the immediate availability of full time support, necessary resourcing, flexible end strength and sufficient military construction to support siting in demographically strong areas which are probably quite remote from current fleet air sites.

Navy studies of the feasibility of transferring an aircraft carrier to the Naval Reserve have highlighted several factors which would affect the implementation of this action. Continued addition of Naval Reserve Force ships to the inventory makes it difficult to find a homeport for a Naval Reserve Force Capital ship which has the demographics to support the Selected Reserve manning requirement of an aircraft carrier. This, to a large extent, would negatively impact the cost effectiveness of the transfer due to the subsequent requirement for extensive airlifting of the Selected Reserve manpower to the carrier. Given that no additional ships would be transferred to the Naval Reserve and the current inventory was reduced, it is conceivable that a reserve carrier could be manned in three to five years. However, due to the part time nature of the Selected Reserve crews, it would be very difficult to obtain and maintain appropriate readiness levels for this ship. This would be caused by its inability to maintain normal operations tempo and resulting major safety considerations which would preclude sufficient flight deck operations.

Mr. DICKS. What are your views on the current Active/Reserve mix of our forces?

Mr. DUNCAN. Again, I am not trying to be evasive, but let me summarize. I think there are opportunities within each Reserve component to explore greater use of the Reserve components within each service. Having said that, some of the services offer more opportunities than others. If we are discussing certain kinds of air missions, I will tell you that I think that there are opportunities there.

Some of the strategic missions involving the submarine example I gave before obviously don't lend themselves to Reserve forces. The way I go about the analysis is to look within each service and within each mission, and ask how that mission could be as effectively performed by the Reserve components. Can it be as effectively performed, and what is the degree of risk we are willing to accept? Are we willing to accept a large degree, a small degree, and what are the cost/benefits?

If you save something, but the benefits are outweighed by increased risk, then those savings may not be desirable. If the risk is an acceptable risk, or there is no risk at all because the Reserve component forces are at least as capable as the active duty forces, then for sure we ought to be looking at a change in force mix.

But I have to look at the issue from a mission basis. Define the mission first, and then I have my staff explore the possibility of having the Reserve forces perform that mission as effectively and perhaps with some cost savings.

Mr. DICKS. How do negotiations work between your office and the services and the Joint Chiefs on these kinds of issues? The impression I get in raising this is that there is tremendous reluctance on the part of the active duty forces to move things into the Guard and Reserve. What is your view of that in terms of your background and your tenure? Is that a reality, or are they because of the budget crunch willing to consider these options?

Mr. DUNCAN. I speak with somewhat of a unique background. I was an Active officer for over six years and a Reserve officer for 18 years. There is a reluctance. For the most part, it is a good-faith concern about whether we can maintain the same military capability if we change force mix. Too often the proposed transfers from Active to Reserve force structure are couched only in terms of cost savings, and I think military leaders reasonably should ask whether we can maintain the same military capability.

So we walk a fine line. We do not wish to have purely budgetary factors dictate our force structure, but we have to take into account those budgetary considerations and also take into account the foreign policy implications and our war-fighting capability. I believe that my job is to weigh all of these factors and to advise the Secretary of Defense whether a particular mission is a mission that can profitably be performed by a Reserve component unit, or whether it is a mission that cannot. I try to serve as an honest broker and tell him the reasons why, or why not.

I do not believe that my job is to argue that the Reserves should handle missions that they are incapable of performing when the consequence might be that we drive them out of the force. I want to make sure of the wisdom of every possible use of Reserve forces that permits us to retain the same military capability at a reduced cost.

Mr. Dicks. Are these issues argued out at the Defense Resources Board?

Mr. Duncan. Forever. We are engaged in that process this week, and not just in the DRB. This process continues even after the DRB completes its work. We have a continuous series of budgetary requests that come up and effectiveness issues. I spend much of my time exploring additional ways to use Reserve forces and how we might resource them, asking what makes sense and what doesn't. It is a constant, ongoing process.

The DRB is where the issues come to a head, and we discuss them. There is constant negotiation and discussion, and the Secretary probably receives more advice than he wants, but continuing advice, on these issues.

GI BILL

Mr. Dicks. The Reserve Force Policy Board during its quarterly meeting in December 1988 recommended that the Montgomery G.I. bill should be amended to provide benefits for those attending trade or vocational schools. Does the department support this proposal?

Mr. Duncan. The Department does not. Let me explain what we do support. Every time I have been asked that question, the assumption is that there would be no additional money available to support those programs. One of the challenges we have are individual skill problems, and in the abstract I support professional education for Reservists. I have been the personal beneficiary of such education and I understand how important it is.

But, when we are being asked to cut over $40 billion in the space of 14 months, my first question is, if there is no additional resources, which account do we take the money from? We are stretched awfully thin trying to solve the individual skill concerns that we have right now. I see some potential relationship between vocational training and the resolution of some of those individual skill deficiencies, but I want to know how we can be sure that those skill deficiencies will be addressed with vocational training. And, what accounts do we have to take funds out of to pay for it?

I see a more tenuous connection with graduate education. The only data we have, and we have essentially no empirical data, but the only data we have, suggests that when we offer graduate education, people are inclined to take business degrees. It is difficult for me to see a relationship between that and the needs of the Reserve forces.

When you start talking about individual skill deficiencies, I would be open to a discussion of anything that will solve the problem. But with the absence of additional resources, I am not sure that vocational training would be as effective as other forms of training. I would be interested in hearing from the Reserve component Chiefs on that issue.

Mr. DICKS. We have a couple more questions on that to ask for the record.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

QUESTION. The GI Bill is considered to be a good recruiting and retention tool. Do you agree? Do you believe extending it to trade and vocational schools will have a further impact on recruiting and retention?

Mr. DUNCAN. The Montgomery GI Bill (MGIB) has indeed proven to be a valuable recruiting and retention incentive for the Selected Reserve. Each of the Services have reported significant increases in the number of first-term enlistees who contract for longer initial terms of service specifically to qualify for the MGIB. In the 1986 Reserve Component Survey, 57 percent of enlisted members with less that four years of service, stated that using educational benefits was a major or moderate contributor in their most recent decision to stay in the Reserves. The Services have also reported successes in achieving (or exceeding) their first term reenlistment objectives each year since 1985.

We have estimated that vocational training would cost the Services an aggregate of $64.3 million for the first year, and $31.3 million each year thereafter. The return on that investment, in terms of actually persuading additional high quality young men and women to enlist, is unclear. All of the analysis to date has been directed toward a determination of how many additional Reservists (already enlisted and drilling satisfactorily) would apply for the MGIB if the benefits were expanded to include vocational training. At this time, we are unaware of any empirical evidence that demonstrates that an expanded MGIB would result in a greater number of enlistments than are being produced by the current MGIB.

QUESTION. For the record, provide for fiscal years 1987, 1988, 1989, and 1990 the number of personnel who utilize the GI Bill and the amount of payments. Also provide how much additional personnel would be required in fiscal years 1989 and 1990 if the GI Bill was extended to include trade and vocational schools.

Mr. DUNCAN. The cumulative number of Reservists who utilized the MGIB and the cumulative gross amounts of payments (through April 1, 1989) and an estimate for 1990 is displayed in the tables below. If the MGIB was extended to include trade and vocational schools, the estimated additional first year normal cost for DoD would be $64.3 million. The estimated additional normal cost contribution for each year thereafter is $31.3 million.

Component	Number	Gross amount
Prior to FY 1987:		
Army Guard	17,259	$25,288,460
Army Reserve	7,489	10,783,962
Naval Reserve	3,055	4,275,580
MC Reserve	1,230	1,763,643
Air Guard	5,972	8,614,868
Air Reserve	2,281	3,173,311
Total	37,286	53,937,110
FY 1987:		
Army Guard	30,232	32,712,556
Army Reserve	16,026	17,055,634
Naval Reserve	6,912	7,131,065
MC Reserve	3,459	3,710,427
Air Guard	10,430	11,160,928
Air Reserve	4,585	4,759,028
Total	71,734	76,529,638
FY 1988:		
Army Guard	44,658	57,292,672
Army Reserve	25,519	31,816,812
Naval Reserve	11,076	13,476,761
MC Reserve	6,401	7,898,574
Air Guard	13,953	17,875,912
Air Reserve	6,535	7,940,853
Total	108,142	136,301,584
FY 1989 (to March 89):		
Army Guard	54,868	77,508,825
Army Reserve	32,317	44.501,696
Naval Reserve	13,810	18,530,019
MC Reserve	8,905	11,984,590
Air Guard	16,166	22,709,751
Air Reserve	8,099	10,812,881
Total	134,165	186,047,762
FY 1989 (to March 1989):		
Army Guard	62,058	100,292,672
Army Reserve	37,019	63,816,812
Naval Reserve	15,776	26,376,761
MC Reserve	10,501	16,898,574
Air Guard	20,999	32,875,912
Air Reserve	10,435	14,140,853
Total	156,788	254,401,584

[CLERK'S NOTE.—End of questions submitted for the record.]

RECRUITING

Mr. MURTHA. Do we have recruiting problems in the Reserve? We had the scandal in Pittsburgh in a recruiting station because the quotas were so stringent, which resulted in some people being relieved of their duties. Have you any problems like that, fraudulent enlistments, high school diplomas counterfeited and that kind of thing?

Mr. DUNCAN. Mr. Chairman, I think the answer is no. As far as I am concerned, and as far as I am aware, that was an isolated incident, I have no reason to believe that that is a systemic problem across the board. That is the only recent incident that has come to my attention.

COMMAND AND CONTROL REPORTING CHAIN

Mr. MURTHA. Are you playing a role in the command and control reporting chain of the Army Reserve?

Mr. DUNCAN. I have not been playing a role except following your correspondence, waiting to see what the Secretary of the Army says, and waiting to see what the Army position is on it. I have not been involved in that issue directly.

RESERVE COMPONENTS AUTOMATION SYSTEM (RCAS)

Mr. MURTHA. One of the things we ran into, we gave the Army a mission of setting up computers for the Army Reserves. Ten years later they didn't have any system. We have turned it over to the Reserves. As I understand it, General Temple is in charge of that particular area of responsibility. Can we mobilize today? Do we have the hardware, or how are we coming along? Are you satisfied with the progress we have made under the RCAS system?

Mr. DUNCAN. Can we mobilize today? Yes, sir. Can we improve our mobilization ability? Yes, sir.

Mr. MURTHA. Have we improved it?

Mr. DUNCAN. We are in the process of improving it, yes, sir. Am I happy with where we are? No. Are we making reasonable progress? I am satisfied because we are following that—I am satisfied that reasonable progress is being made. One of the difficulties I have is that as the head of the Reserve forces, I look at the issue from the standpoint of needs. My office has been interested in the functional statement, but I have no resources in the sense of management information expertise, so I rely upon the OSD Comptroller to follow it.

One of my deputies has participated in every MASARC ever conducted on that issue. I keep informed, and my Principal Deputy follows the issue very closely.

Mr. MURTHA. When will the critical elements of RCAS be fielded?

Mr. DUNCAN. The current schedule is 1992.

Mr. MURTHA. So you are satisfied with the approaches that we have taken, that General Temple is moving forward and that we are going to get an improved mobilization procedure here in the timeframe that you have just given us.

Mr. DUNCAN. Well, let me put it this way. Since I assumed office in late 1987, I have come to realize how badly we need to get that problem resolved. I think the Reserve forces from both the unit administration standpoint and from the mobilization standpoint need those systems, so I am trying to do what I can to prod that along.

Is this the perfect way to go, the management structure that is set up now? I am not prepared to say whether it is or is not. Is General Temple making reasonable progress? I believe he is. We will do everything we can to make sure that progress continues.

Mr. MURTHA. Is it properly funded in the budget proposal?

Mr. DUNCAN. I have forgotten where we are on funding today, but we are following that very closely. I make sure that the Secretary and the Deputy Secretary understand how important the issue is. We are monitoring the situation and it is still under discussion.

Mr. **MURTHA.** There seemed to be some confusion when the Army Secretary and the Chief of Staff were here. You have reservists and are training them, and there is a high state of readiness. If we can't mobilize them in the time that we expect to, we have got to do something about it. If the Army has been working on it for ten years, it seems we ought to be able to get this thing straightened out.

Is RCAS fully funded in the five-year defense plan? Do you know the answer to that?

Mr. **DUNCAN.** Fully funded?

Mr. **MURTHA.** Yes.

Mr. **DUNCAN.** That is why I was troubled. I don't personally have information about what the ultimate defined cost is.

Mr. **MURTHA.** We have been working on this for ten years trying to get this straightened out, and we don't even know what the cost is ten years later. Are we no better off than we were ten years ago?

Mr. **DUNCAN.** I am not sure where we were ten years ago. It needs to be focused on.

Mr. **MURTHA.** Are we better off in the year that you have been here?

Mr. **DUNCAN.** I have no doubt about that. I have talked to the Under Secretary of the Army—he has become involved—I know General Temple and the program manager are working very hard. I won't presume to speak for how all of the elements of the Army are working together because I don't know first hand, but you have certainly got the attention of the Army leadership, and I believe that reasonable progress is being made. There is a schedule set out, and people are working with reasonable progress to follow it.

Mr. **MURTHA.** This committee has proposed over $200 million at DOD's request. That is no little bit of money. We hope that we will see some results. Before we mark up, we want a report on how we are coming with that program.

Mr. **DUNCAN.** Yes, sir.

Mr. **MURTHA.** I know General Temple is going to appear before the committee, and we will ask him some questions, but I hope you pay special attention to this particular program.

Mr. **DUNCAN.** I understand the magnitude of the problem, and you have my attention. I am sure that you have the Army's attention.

Mr. **MURTHA.** We have some additional questions for the record. Thank you very much. We will now hear from the Navy and Marine Corps Reserve.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

READINESS

QUESTION. Secretary Duncan, you mention that there is uneven implementation by the Services of the Department's policy of "First to Fight, First to Equip." What are you doing to insure that the early deploying units, whether they are active, reserve, or guard, receive the required equipment?

Mr. **DUNCAN.** We monitor the Services' policies and procedures on resourcing units to insure the "First to Fight, First to Equip" policy has become institutionalized. Then we periodically monitor their actual performance over time. Fortunately, the Services have established policies and designed systems that generally work well in establishing priorities for equipment distribution. For example, the Army Master Deployment List (DAMPL) prioritizes units, regardless of component, for deployment in accordance with contingency plans. The DAMPL, in turn, drives the Total Army Equipment Distribution Program (TAEDP) to determine the order in which units are to be equipped. Our concern about uneven implementation includes two areas. First, there are exceptions to the general equipment priorities which are driven by congressional or Service management decisions. We address these on a case-by-case basis. Second, we are concerned about the resourcing of support forces which often need less glamorous equipment items, such as trucks, which have relatively low procurement priority. These problems are not unique to the Reserve forces; however, we focus much of our attention on them since approximately 70 percent of the combat support and combat service support forces required to support a conventional conflict are in the Reserve components. We use the annual National Guard and Reserve Equipment Report to Congress as a means of comparing Active and Reserve component requirements and fill rates. We also use the Reserve Unit Priority System (RUPS) Readiness Module to track equipment levels and relative deployment urgency.

QUESTION. Are your efforts primarily to support the combat units or does it involve the combat support units and combat service units?

Mr. DUNCAN. We are concerned about all three categories of units but have recently been more vocal about the combat support (CS) and combat service support (CSS) units which generally have greater shortages then the combat units. The combat units have fared relatively better in equipment fill levels. The support units have also improved their equippage levels over the last few years, but not as dramatically. Well equipped CS and CSS units are crucial to supporting and sustaining combat units in any conceivable armed conflict. Over two-thirds of the Services' CS and CSS capabilities are in the RCs. The U.S. Army Reserve, with 48 percent of its force structure devoted to CSS, has the lowest equipment fill rates among the RCs. Therefore, you can understand why we have been working hard to highlight and correct the equippage problems in CS and CSS.

QUESTION. It appears the Congress and Defense Department are heading in the right direction by providing more equipment. This is highlighted because the Department is required to submit an annual report to Congress on equipment for the Reserve components.

The main concern today is that while it is necessary to equip the units based on the first to fight principle, it is also paramount that these units be trained in the same principle. It often appears that the operations and training resources are not provided in a timely manner to train and support the Reserve components. Secretary Duncan, are you aware of any problems in this regard? What is being done to correct any such mismatch of equipment with training and operating dollars?

Mr. **Duncan**. As you mention, we have seen significant improvement in the equipping of the Reserve components (RC) over the last nine years. The Department's "first to fight, first to be equipped" policy has generally worked well in guiding equipment distribution within the Services and their RCs. The Military Departments' and congressional appropriations for procurement have resulted in unprecedented deliveries of equipment to the RCs. In fact, if mobilized today, the National Guard and Reserve forces would be able to field overall, in terms of dollar value, almost 84 percent of the current wartime requirements for the selected equipment items identified in the FY 1990 National Guard and Reserve Equipment Report you referred to. In fiscal year 1987, this figure was 77 percent. In spite of these impressive gains, the RCs have a combined equipment shortfall of approximately $14 billion with respect to the line items reported in the referenced report.

Attention has also been directed to personnel and training factors which degrade unit readiness. Identification of personnel and training detractors to readiness has resulted in several key initiatives to correct these problem areas. For example, the Army has completed its Army Reserve Component Training Strategy Study which investigated the difference between training required for the Active components and that required for the Reserve component. The findings and recommendations of this study are now being seen in the revision of training courses and methodologies used to train Reserve component soldiers. The Naval Reserve has revamped its training policies in two ways. First, the development of Reserve Billet Training Plans identifies, for the individual reservist, those skills and knowledge he or she must acquire to proficiently perform in the mobilization billet. The Surface Program to Upgrade Readiness (SPUR) has totally reorganized training to prepare individual reservists and Reserve units for mobilization duties.

Question. The "total force" concept requires that Reserve early deploying units to be manned and equipped at levels which make them combat ready on short notice. How do you evaluate the readiness status of each of our Reserve components?

What else needs to be done to make them fully ready?

Does the fiscal year 1990 budget contain sufficient dollars to accomplish this goal?

Where are the deficiencies?

Mr. **Duncan**. In general, the Reserve components are capable of performing the missions that have been assigned. Increases in the availability of resources and modernization of the Reserve components since 1980 have resulted in commendable improvement in the capability of Reserve component forces. The substantial improvement in the capability of Reserve Forces has not, however, eliminated all readiness problems. There are some areas, notably in the combat support and combat service support units in the Army, where shortages of resources severely limit the ability of some units to perform their mission.

Since the distribution of new equipment to Reserve component forces coincided with equipment modernization programs, we have also had to restructure and retrain units to work with new weapons systems. Our prioritization in equipping, manning, and training the Reserve Forces has been the "first to fight" policy which states that units which are needed first will have priority claim on resources. This policy, coupled with our efforts to assure units have at least minimum essential equipment, has worked, as evidenced by the greatly improved readiness posture of the Reserve components. There is still room for improvement. We are programming those improvements within budgetary realities to achieve fully ready Reserve Forces.

Even if we achieve a 100-percent execution of our current equipment redistribution and procurement plans, equipment shortfalls will remain. Data from our fiscal year 1990 National Guard and Reserve Equipment Report indicates a shortfall at the end of fiscal year 1992 of approximately $8.6 billion. While this is a significant improvement over the $10–11 billion mobilization shortfall forecast last year, further progress in closing the gap between equipment on-hand and wartime requirements is becoming increasingly problematical, given the limited availability of resources.

Question. In order to augment the active forces for any operational mission, section 673(b) of 10 United States Code authorizes the Secretary of Defense, upon determination by the President, to order any unit or member of the Selected Reserve, without consent of the Members concerned, to active duty (other than for training) for not more than 90 days. Otherwise, the Reserves have to rely on volunteers for extended duty.

As you know, the reserve components are becoming involved in more and more operational missions.

Has the authority provided the Secretary of Defense under 10 U.S.C. 673b been delegated to the Service Secretaries?

Mr. Duncan. The statutory authority to order members of the Selected Reserve to active duty is vested only in the President. When the President determines that it is necessary to augment the active forces for an operational mission pursuant to 10 U.S.C. 673b, he may then authorize the Secretary of Defense to implement his (the President's) orders. This authority has not been delegated to the Service Secretaries.

Question. In the case of the Navy Reserve ships which were deployed to the Persian Gulf, why were the selected reservists not also called to duty under 10 U.S.C. 673b? Who made the decision not to call up the selected reserves—the President, the Secretary of Defense, or the Secretary of the Navy?

Mr. Duncan. The Navy Department determined that because of the confidentiality of the mission an involuntary recall of Selected Reservists was not desirable and that the urgency of the mission prevented the immediate use of Naval Reserve volunteers. Consequently, no recommendation to recall Reservists was made by the Navy to the Secretary of Defense. Subsequently, several Naval Reservists have served in the Persian Gulf. As of April 1, 1989, over 500 Naval Reservists have volunteered for missions in the Gulf and some 250 have actually served there.

Question. Since the Navy Reserve had to rely on volunteers and crew from other ships to support their ships in the Persian Gulf, why wasn't the authority of 10 U.S.C. 673b utilized?

Mr. Duncan. The manning of U.S. ships in the Persian Gulf was a Navy requirement handled entirely by the Navy Department. The Navy determined that the manning requirements could be met without a recommendation to the Secretary of Defense for an involuntary call up of Reservists.

Question. How often has the Presidential authority within 10 U.S.C. 673b been used? Under what conditions would the Secretary of Defense utilize the authority of 10 U.S.C. 673b?

Mr. Duncan. The Presidential 200,000 callup authority has never been used and is my understanding that since at least 1970, no Military Department has recommended to the Secretary of Defense that it be used. Upon Presidential approval, the 200,000 callup of Selected Reserve units and individuals may be used to prosecute a limited military contingency, to augment any operational mission of the active component, to posture and prepare for an increased mobilization situation, to preposition forces against a developing threat, or any instance where highly trained force of military augmentees might be meaningful.

Question. Is there some way we can protect the civilian jobs of selected reservists who volunteer for operational missions?

Mr. Duncan. The "Veterans' Reemployment Rights (VRR) Statute" (Chapter 43, Part III, 38 U.S.C.) protects the civilian job rights of Guard and Reserve (G/R) members. The law provides that employers may not be denied retention in employment, promotion or any other incident or advantage of employment because of military obligation. Employee-Reservists must be excused from their civilian jobs to perform active or inactive duty, whether voluntary or involuntary, and reinstated upon return to the same job or one of like pay, status and seniority. The law sets no limit on the frequency and duration of Reserve training absences, but a test of "military necessity and reasonableness" must be made. The unit Commander's discretion is often required when civilian absence extends beyond the normal Guard and Reserve training time. As amended in 1986 (P. L. 99-576), the law also prohibits discrimination against G/R members in hiring.

Subsection 2024(g) of the law states that any member of a Reserve component ordered to active duty of not more than 90 days under Section 673(b) of Title 10, whether or not voluntarily, shall be entitled to all reemployment rights and benefits provided under Subsection 2024(c) for persons ordered to an initial period of active duty for training of not less than three consecutive months; and shall have the service limitation governing eligibility for reemployment rights under 2024 (a) and (b)(1) extended by his period of such active duty.

The National Committee for Employer Support of the Guard and Reserve, a DoD agency that promotes employer-Reservist cooperation, provides informal assistance on VRR matters. This includes referring G/R member federal employees with VRR-related grievances to the Merit Systems Protection Board, and the referral of non-federal employee-Reservists who want to file a VRR claim to the U.S. Department of Labor's Veterans' Employment and Training Service. (The latter agency is responsible for enforcing the VRR Law among non-federal employers.)

ACTIVE/RESERVE FORCE MIX

Question. For the record, provide by individual component what additional roles the reserve components can contribute to the "Total Force" concept. Where possible, also provide that additional resources (dollars and personnnel) would be required?

Mr. Duncan. I must first stress that "Total Force" is not a concept but a fully subscribed and supported policy.

During the last 15 years, there has been a sustained effort by Congress and the Department of Defense to more effectively utilize the Reserve and National Guard components of the Armed Services. Numerous tasks have been formally assigned to these forces; more are under consideration. In some cases, the tasks under consideration are a shift of work load from Active components; in other cases, they are tasks which have not previously been under the purview of the Defense Department.

Reliance on all of the Reserve components continues to increase. Today, more than one-half of the combat power of the Armed Forces, and two-thirds of the support forces are National Guardsmen or Reservists. The Reserve Forces have demonstrated in recent years that they can assume greater responsibilities and compete favorably with Active forces, especially in the performance of certain missions, such as those requiring experienced pilots. Reserve Forces do, however, face significant challenges, due in great part to the rapidity to which changes in the implementation of the Total Force Policy have taken place in recent years.

Whether a particular mission should be assigned to Reserve Forces or to Active Forces depends generally, of course, upon the nature of the mission, i.e., the specific military capability that is required. Force mix decisions must necessarily address a broad range of factors, such as the comparative cost of Active/Reserve Forces; the availability of sufficient modern equipment of a type which is appropriate to the specific mission; the availability of sufficient numbers of personnel who are fully trained and who have the particular military skills that are required; the existence of an adequate CONUS sustaining base to ensure equitable overseas tours for Active Forces; whether the mission under consideration requires forward-based forces; the urgency with which the particular mission must be performed in contingency situations short of mobilization; and other, similar factors. As you see, the question of proper force mix is more complex than it appears at first. I cannot provide an umbrella answer to your question. Each proposed mission assignment to the Reserve components must be evaluated as an individual case, considering those factors I have just mentioned.

RESERVE INITIATIVES

Question. Budget material provided on the fiscal year 1990 budget indicates that the Department is proposing legislation on 14 contingency items. Secretary Duncan, in general what are these legislative proposals? What is their status? Have they been submitted to Congress?

Mr. Duncan. Those legislative contingency items are the recommendations of the Sixth Quadrennial Review of Military Compensation which have an impact on the Department of Defense

Budget. There are also three other recommendations which would impact on the budget of the Department of Veterans Affairs. They are all under review within the Department of Defense as we revise the President's Budget as it was submitted on January 9, 1989. Implementing legislation for some of these as well as the non-budgetary recommendations will be submitted as part of the Department of Defense Legislative Program for the 101st Congress after the final report of the Sixth Quadrennial Review of Military Compensation is forwarded to the Congress. That report is presently at the White House for review.

QUESTION. For the record, provide a listing of these legislative proposals and provide the cost impact on the 1990 and 1991 budgets.

Mr. DUNCAN. The legislative proposals stemming from the 6th QRMC which have budgetary impact and were included in the legislative contingencies account follow. However, as indicated above, not all of these items are expected to remain in the Department's revised legislative program stemming from the ongoing budget revision.

1. Revised medical special pay

Revise Title 37, USC, 302(h), to increase special pay for reserve medical officers when on active duty for training. Increase pay from the current rate ($100 a month for those with 1-2 years of active duty and $350 a month for those with 2+ years) to $450 a month without respect to previous active duty as a medical officer. Extend this pay to IDT.

Cost: FY90—$4.7 million, FY91—$4.7 million.

2. BAQ for Reserve members without dependents

BAQ is paid when adequate government quarters are not provided to members and dependents at the permanent duty station (PDS). Single RC members using government quarters on short active duty tours of less than 20 weeks are denied full BAQ because EO 11157 defines PDS as the training duty location. Members with dependents in the same situation get BAQ because their dependents aren't provided government quarters. However, those without dependents do continue to incur civilian quarters expenses. Amend Title 37, USC and EO 11157 to provide BAQ for all members on duty less than 20 weeks with the exception of single personnel on IADT.

Cost: FY90—$43.2 million, FY91—$45.0 million.

3. Longevity credit for participating DEPs

Amend Title 10, USC, to authorize the enlistment of persons in the reserve components of the armed forces for later enlistment, under a Delayed Entry Program, into regular components of the armed forces. Amend Title 37, USC, to specify that service of persons enlisted under such program or under the existing Delayed Entry Training program, prior to entry on active duty or active duty for training, may not be counted for the purpose of computing basic pay entitlements, except when a member is required or permitted to participate in training before beginning service on active duty or beginning an initial period of active duty for training.

Cost: FY90—($1.0 million), FY91—($1.0 million).

4. Actual expenses for government quarters

Amend Title 37, USC, Section 404, to authorize the expenditure of appropriated funds to pay actual expenses incurred by reservists when they occupy government housing while performing annual active duty for training or inactive duty training, whether at the normal or the temporary training site. Since the statute was enacted which precludes payment of quarters expenses when quarters are available, service charges have become the norm. These are reimbursable while on TAD but not ADT or IDT.

Cost: FY90—$3.0 million, FY91—$3.0 million.

5. Montgomery GI Bill AGR benefits limited to title 38, U.S. Code

To promote uniformity, Active Guard/Reserve (AGR) members, like their active counterparts, should be afforded educational benefits only under Title 38, USC, Chapter 30. Amend Title 10, USC, Section 2132, to limit benefits for AGRs to those authorized under Title 38, USC, Chapter 30.

Cost: FY90—($1.0 million), FY91—($1.0 million).

6. Montgomery GI Bill less than half-time

Amend Title 10, USC, Chapter 106, to provide educational benefits for less than half-time attendance. This change would allow members to balance their priorities without penalty when they must pursue their education in less than a half-time basis.

Cost: FY90—$0.5 million, FY91—$0.5 million.

[NOTE: Enacted by Sec. 110(a) of P.L. 100-689.]

7. Two-tier retirement option

The QRMC recommends the development of legislation to amend Title 10, USC, Chapter 67, to provide an optional early annuity at any point after initial qualification for retired pay with 20 years of satisfactory service. A second tier would commence at age 62. All members not electing an early annuity would receive retired pay and benefits beginning at age 60 as provided in current law. Members electing the Two-Tier Option, as well as those remaining under the current system, would receive medical benefits at age 60. The Two-Tier Option would apply to all new entrants into the armed forces.

Cost: FY90—($67.8 million), FY91—($67.3 million).

8. Test USNR fleet pay

The Navy has advocated a $10 per drill unit incentive pay for enlisted SELRES members assigned to hard-to-man units with arduous duty (e.g., USNR ships). Other services support this initiative but do not envision using such a pay themselves. After review of available data, the QRMC concluded that a test should be conducted to determine effectiveness. This could be done on one coast with like units on the opposite coast used as controls. A two-year period would be required to measure the impact. Authorize a two-year test of "Naval Reserve Fleet Pay."

Cost: FY90—$1.6 million, FY91—$1.6 million.

9. Medical evaluation compensation

Provide authority in law to provide full pay and allowances to a reservist recalled to active duty for a medical evaluation (vice treatment).

Cost: FY90—$0.9 million, FY91—$0.9 million.

10. ID card benefits for survivors

Amend Title 10, USC, Section 1076(b), to authorize medical and dental care in facilities of the uniformed services (subject to availability) and CHAMPUS entitlement under Title 10, USC, Section 1086, for unremarried surviving spouses of retired reservists. Entitlement would accrue on the 60th anniversary of the deceased member's birth.

Cost: FY90—$0.9 million, FY91—$0.9 million.

[NOTE: Deferred for FY90/91.]

11. New duty status for annual reporting requirement

Enact legislation to establish a new form of duty known as "Muster Duty," which would allow the Services to call reserve members to duty for one day annually for the required screening. Additionally, compensate such members with a nontaxable allowance of $80 that is indexed to average per diem rates, and that these members be entitled to the same medical, income protection, and survivor benefits as is a reserve member performing inactive duty training.

Cost: FY90—$15.4 million, FY91—$15.4 million.

12. Special duty assessment pay for IDT

SDAP ($55-$271/month) is authorized for Active Duty enlisted duties designated as extremely difficult or as involving an unusual degree of military skill. It is paid for critical skills outside normal career fields (e.g., recruiters, drill instructors). A statutory change would be necessary to allow service secretaries to pay SDAP for qualifying skills during drills (IDT). There is no apparent rationale for limiting the pay to active duty periods, and authorizing of SDAP for drill periods would enhance its incentive value and make its application consistent with other S&I pays. Amend Title 37, USC, Section 307, to authorize SDAP for IDT.

Cost: FY90—$0.7 million, FY91—$0.7 million.

13. Extend survivors quarters allowances from 3 to 6 months

Amend P.L. 99-227 to extend the current three months' housing allowance payment to six months, payable immediately or when quarters are vacated (with an offset for the time quarters were occupied). This allowance would be payable only to dependent survivors or on their behalf if the dependents are minors. This benefit would apply the same eligibility criteria as the $3,000 death gratuity, including coverage for IDT, ADT, and travel to and from such duty. Those survivors who are not dependent would continue to receive only the $3,000 death gratuity.

Cost: FY90—$3.5 million, FY91—$3.6 million.

14. Repeal quarterly uniform maintenance allowance

The officer uniform allowances are not fully consistent for part-time and full-time members. The UMA rate is so low that it has no positive impact on retention or morale. Eliminate the quadrennial $50 Uniform Maintenance Allowance. In order to ensure that a member just short of qualifying for this allowance would not be disentitled, an effective date one year after enactment is recommended.

Cost: FY90—$0.0, FY91—($1.5 million).

15. Full VA benefits for title 32 AGRs

VA Benefits for active component members and AGRs in federal service differ from benefits for National Guard AGRs on full-time National Guard duty under state control. Develop remedial legislation so that members serving on full-time National Guard duty (other than for training only) have the same status, with the same consequences for Title 38, USC, purposes, as members who serve on active duty.

Cost: FY90—$0.1 million,[1] FY91—$0.1 million.[1]

16. Extend DIC

Extend eligibility for Dependency and Indemnity Compensation survivors of reserve members who die from disease incurred or aggravated in line of duty while performing inactive duty training or while travelling to or from inactive duty training.

Cost: FY90—$0.4 million,[2] FY91—$0.7 million.[2]

17. Burial in national cemeteries

Add all members of the Selected Reserve, plus reservists in any category who have completed the service requirements for retired pay under Title 10, USC, Chapter 67, or who are in receipt of such pay, to the list of persons qualified for burial in a national cemetery.

Cost: FY90—$0.1 million,[1] FY91—$0.1 million.[1]

RECRUITING

Question. Do the recruiters in the reserve components have a quota to make and what action is taken if a recruiter fails to make his quota?

Mr. Duncan. Yes, Reserve recruiters do have a monthly mission or quota, which they are expected to meet. Missions may range from 4 to 7 recruits in major metropolitan areas, to as few as 1 or 2 in rural areas. While the corporate motivation to "make mission" is often intense, it is almost always exceeded by the individual's desire to succeed. And today, Reserve recruiters have a great deal of help. Each recruiter is tied closely to the supported units, which provide quality leads and referrals. Many units have incentive programs whereby members are given some form of special recognition for generating leads that culminate in an enlistment. In today's environment of realistic missions (in the late 70's, quotas were in the 10 to 12 range), and the help offered by the supported units, Reserve recruiters have ample opportunity to succeed. In those instances where a recruiter is not achieving his or her goal, the Recruiting Commands have professional development programs that include remedial sales techniques and individual counseling. Continued lack of success could result in removal from recruiting duty and the individual being "mainstreamed" back to his or her traditional military occupational specialty. It is rare that a reservist is relieved from recruiting duty and not allowed to complete his or her current tour of duty in another capacity.

---

[1] VA's Cost.

[2] VA's Cost which levels at $9.0M after 25 years.

[1] VA's Cost.

Question. For the record, provide by component the number of recruiters and the dollars expended for recruiting (excluding advertising) for fiscal years 1987 and 1988, and estimate from 1989 through 1991.

Mr. Duncan. The DoD recruiting support program for FY 1988 through FY 1991 (less advertising support) is presented in the table below:

DOD RECRUITING SUPPORT FY 88–91

[Current in millions of dollars]

	FY 1988		FY 1989		FY 1990		FY 1991	
	No. rec.	Amt.	No. rec.	Amt.	No. rec.	Amt.	No. rec.	Amt.
ARNG	2,515	96.3	2,532	99.3	2,539	99.9	2,539	102.9
AR	1,804	74.6	1,840	74.9	1,884	76.2	1,920	79.8
NR	1,160	40.0	1,198	42.7	1,250	44.6	1,250	45.8
MCR	230	7.7	229	8.0	229	8.1	229	8.3
AFR	231	10.9	243	10.8	257	12.4	265	13.8
ANG	388	15.6	413	17.1	421	18.5	421	18.5
Total	6,328	245.1	6,455	252.8	6,580	259.8	6,624	269.1

The amounts listed above are for production recruiters only, and do not include recruiting support funds for headquarters and field support personnel, and training.

OPERATION AND MAINTENANCE

Question. The Operation and Maintenance fiscal year 1990 request for the Reserve Components is $6.9 billion, a 4 percent increase over fiscal year 1989. Realizing the budget constraints this year, do you believe this level is adequate to support the reserve components in fiscal year 1990?

Answer. There is not a 4 percent increase. In current dollars, there is only a 0.6 percent increase, based on a budget of $6,822 million in Fiscal Year 1989 and $6,865 million in Fiscal Year 1990. However, in constant FY 1990 dollars, there is actually a 3 percent decrease. We believe the FY 1990 budget is adequate. However, given the 3 percent reduction (in constant dollars) in Fiscal Year

1990, which represents a decrease of approximately $230 million from Fiscal Year 1989, it is unlikely that the operation and maintenance appropriations for the Reserve components can absorb any further reductions.

Question. Have you received any guidance on what changes the Bush budget amendment will have on the O&M appropriations of the reserve components?

Answer. The Operation and Maintenance appropriations for the Reserve Components have been amended as follows:

[In million of dollars]

	FY 1990	FY 1991
Army Reserve	−5.2	−5.0
Naval Reserve	−4.4	+2.9
Air Force Reserve	−2.8	−1.9
Army National Guard	−3.0	−8.2
Air National Guard	−14.6	−36.4
Total	−30.0	36.4

Some examples of adjustments made include:

Force Structure:

Reductions in Army Reserve Component attack helicopter units.

Transfer of additional frigates to the Naval Reserve.

Retire P-3A/B aircraft.

Deactivate WC-130 hurricane reconnaissance aircraft.

Equipment modernization, e.g., C^3 operations, has been slowed.

Reductions were made to real property maintenance.

Funding has been decreased for organizational clothing and individual equipment.

INDIVIDUAL READY RESERVE (IRR)

QUESTION. In fiscal year 1987, IRR personnel were requested to perform at least one day of active duty during the year in order to permit the evaluation of IRR skill proficiency, determination of refresher training needs and confirmation of mobilization availability.

Secretary Duncan, is the IRR screen program still being accomplished by the four Reserve components in fiscal year 1990?

Has this program been successful? What has been accomplished by it, or, what else needs to be done?

For the Record, by each reserve component for fiscal years, 1987 through 1990, provide the following: (a) amount requested and estimated number of participants; (b) actual or estimated amount expended and actual or estimated number of personnel who actually attended.

Mr. DUNCAN. The IRR screening program will continue to be conducted by the Services in FY 1990.

The IRR screen is a mandatory program requiring all members of the IRR to serve at least one day of active duty each year to ensure their availability and readiness in the event of a national emergency. It was implemented in fiscal year 1987 and is a follow-on to the voluntary muster of Army IRR members mandated by Congress in fiscal year 1986. Screening may encompass an update of personnel records, a check of physical condition, a test of military skill proficiency and other areas considered key to mobilization readiness.

The Army processed 6,700 IRR members for one day over the course of four weekends in January 1986. Over 152,000 IRR members were mustered in fiscal year 1987 during the first year of DoD-wide screening. Over 146,000 IRR members were mustered in fiscal year 1988.

As far as what else needs to be done, the Department is happy with the program but continues to evaluate its effectiveness. For example, we are currently evaluating how frequently we should conduct rescreening for those members who have been screened once.

Your requested data on expenditures and participation follows:

	Estimated FY 1987		Actual FY 1987	
	Participants	(Million)	Participants	(Millions)
Army	110,000	$23.0	103,464	$8.0
Naval	26,749	5.5	21,285	3.0
Marine	17,000	1.6	14,000	1.4
Air Force	17,640	3.0	13,815	1.5

	Estimated FY 1988		Actual FY 1988	
	Participants	(Million)	Participants	(Millions)
Army	105,000	$10.1	141,565	$9.9
Naval	55,000	3.2	29,274	3.3
Marine	16,680	1.7	15,300	1.6
Air Force	25,000	3.2	27,910	2.1

	Estimated FY 1989		Actual FY 1990	
	Participants	(Million)	Participants	(Millions)
Army	153,042	$10.9	154,682	$10.7
Naval	26,400	3.4	26,288	3.6
Marine	16,680	1.7	16,680	1.7
Air Force	27,966	2.2	27,966	2.2

(Source: Budget Justification Books.)

In fiscal year 1989 the Air Force will be testing a more extensive screen. Programmed resources will remain the same. Fewer members will be screened but for a long period each.

EQUIPMENT

QUESTION. Secretary Duncan, how much is requested in the fiscal year 1990 budget for equipment for the Reserve components and what percentage of the shortfall will this alleviate?

Mr. DUNCAN. The fiscal year 1990 equipment request for the Reserve components (RC) is $1.385 billion. The shortfall at the beginning of fiscal year 1990 (based on fiscal year 1990 requirement) is projected as $17.8 billion (not counting substitutes) according to the

FY 1990 National Guard and Reserve Equipment Report (NGRER). However, funds appropriated for equipment in fiscal year 1990 will not impact the shortfall during that year. Because of administrative and procurement lead times, appropriations in fiscal year 1990 will not result in equipment entering the RC inventories for several years. Furthermore, equipment procured directly for the RCs is approximately 30 percent of the total equipment they receive. The remaining 70 percent is redistributed from the Active components (AC). According to Service-provided data in the NGRER, equipment procured for the RCs and redistributed from the ACs will combine to reduce the projected shortfall at the end of the fiscal year 1990 funded delivery period to approximately $8.6 billion of the preferred items or $6.0 billion if substitute items are counted. Requirements are constantly changing, however, and reductions in equipment appropriations to the ACs could slow redistribution of equipment to the RCs.

QUESTION. Do you feel the Reserve components receive their fair share of the Active component equipment commensurate with the deployability of the unit?

Mr. DUNCAN. I believe the Reserve components generally receive their fair share. The Services attempt to follow the DoD policy of "first to fight, first to be equipped." For example, the Air National Guard, which would deploy early, has a fiscal year 1989 fill rate of approximately 90 percent. On the other hand, the Army Reserve, which has the bulk of the deploying combat service support units, has a much lower fill rate which is of great concern to me.

QUESTION. In fiscal year 1989 the Department requested $2.3 billion for equipment for the Reserve components. Congress also added another $1.1 billion in the dedicated equipment appropriation, for a total of $3.4 billion. Now, in the fiscal year 1990 budget request, the 1989 column shows $2.8 billion total. This is a decrease of $600 million.

The same thing appears in reviewing the fiscal year 1988 column which shows a larger decrease. The reductions are just slightly lower than the amount approved in the dedicated equipment appropriation.

Secretary Duncan, can you assure the committee that the Reserve components are not being penalized because Congress provides additional funds in a separate account?

Mr. DUNCAN. I can assure you that the Reserve components' equipment budgets are not being unfairly reduced as a result of additional appropriations for dedicated equipment purchases. The cuts to the RC equipment appropriations were made directly or indirectly as a result of congressional reductions to the President's budget. Changes to the fiscal year 1989 column in the fiscal year 90/91 P-1R were caused by a problem in the way the fair-share portion of the congressional reductions to the Service procurement appropriations was inaccurately reflected in the initial P-1R. The only reduction to the fiscal year 1988 dedicated procurement account was when Congress decided not to procure P-3C aircraft for the Naval Reserve.

RESERVE COMPONENT COMMAND AND CONTROL

Question. Our primary interest was in having the Chief of Army Reserve function as the component commander and of establishing a single reporting chain similar to the Air Force and Navy Reserve. Secretary Duncan, what are your views on this subject?

Mr. Duncan. In his December 1988 letter to the Secretary of the Army, the Chairman of the House Appropriations Committee expressed his concern about the Army Reserves separate and distinct chains of command and control. As a result, the Secretary of the Army ordered an Army Reserve Command and Control Study, the results of which are due in late summer.

I have formed no personal opinion on this issue yet, but I am anxious to see the results of the study. The Services have sufficiently different needs that we should be reluctant to impose the Naval Reserve or Air Force Reserve chain of command on the Army merely for purposes of uniformity, but it is obvious that much more is being asked of the Army Reserve today, than was the case when the present structure was adopted.

COMPUTERS FOR ARMY RESERVES (RCAS)

Question. The Committee has been struggling with the Defense Department for a number of years on trying to get a basic computer capability fielded to the Army Reserves.

What is the status of the Reserve Component Automation System (RCAS)?

Mr. Duncan. RCAS completed conditional Milestone 0 at the July 1987 DoD Major Automated Information System Review Council (MAISRC) Decision Review meeting. This marked the start of the Concept Development phase of the system's life cycle. RCAS' Project Management Office (PMO RCAS) is currently preparing the Draft Request for Proposal (RFP), Functional Description (FD), Program Management Plan (PMP), annexes and system decision review documentation for use in the DoD MAISRC Milestone I Decision Review scheduled for the first quarter FY 1990.

Question. Some people say we cannot effectively mobilize the Army within the time frames required without this capability. Do you agree? Explain: how we mobilize today; existing deficiencies; what RCAS would do; what happens if the system were not fielded.

Mr. Duncan. U.S. Army Forces Command (FORSCOM) prepares and executes plans for mobilization of Army reserve component units. Mobilization execution is decentralized to successive levels of command, with the National Guard Bureau, all Continental U.S. Army, Installation, State Area Command, and Major U.S. Army Reserve Command headquarters and individual reserve component units executing preplanned actions. Installations designated as mobilization stations and state-owned mobilization stations receive, fill, support, train, validate operational readiness, and direct unit movements to their ports of embarkation.

Units in their home station receive notice by phone or electronic message of pending order to active duty through command channels which may be spread across several states. Between alert and departure for the mobilization station, all administrative, logistical, and training requirements are manually identified to speed the units' transition to active status. While units are preparing for movement to the mobilization station, mobilization station personnel are examining unit personnel and equipment status. This information is then used to allocate soldiers and equipment to ensure early deploying units are mission capable and to identify actions required to make follow-on units capable. A complete manual inventory of organizational clothing and equipment is conducted and shortages are identified. Personnel, finance, and medical records are manually screened and updated. Home and mobilization station requirements for billeting and rations are manually determined. Units update unit status reports and manually prepare data input to the World Wide Military Command and Control System (WWMCCS). Training requirements are manually determined based on the unit's mission essential task list.

The data required to accomplish these tasks are passed from the point of origin, usually the unit, to the first automated organization where it is entered into a system. The location of this automated support varies depending on the functional area and system. There are several automated systems which support the mobilization effort. However, they do not satisfy all mobilization requirements, they operate only at central locations and they provide information only to mobilization managers at installations and headquarters level. The originators seldom see the result of their data collection effort.

The existing information systems in the Army reserve components are unable to provide timely and accurate information to decisionmakers to allow either planning or mobilization to be conducted as required to meet contingency plans standards. Present systems have one or more of the following deficiencies, which contribute directly to the problems of planning and unit preparation for mobilization:

(a) They use neither compatible hardware and software nor common data elements.

(b) They provide little or no data communications at the unit level.

(c) They do not provide connectivity between echelons of command.

(d) They provide only limited information to mobilization decisionmakers.

(e) They require excessive time to provide needed information. This causes delays in validating the reserve component units, which in turn delays their arrival in theaters of operations.

RCAS will provide automated support for mobilization and administration of the Army National Guard and the U.S. Army Reserve, and will be used by active and reserve commands, including mobilization stations.

RCAS will provide an integrated hardware, software, and communications network from the unit level to all headquarters responsible for management of the Army's reserve components and mobilization process. RCAS will permit the gathering of needed data at its point of origin. It will provide data to the units for use in their day-to-day management. It will also make such data available to appropriate headquarters and, when released, to mobilization stations. RCAS will enable mobilization station commanders to perform more timely review, training, and validation tasks.

The Army's mobilization resources (time, materiel, money, and manpower) will be used less efficiently if RCAS is not fielded. If they are not replaced, the few microcomputers now available to the reserve component units will age and become technologically obsolete. They are currently neither networked nor supported by software to accomplish required mobilization planning, management and unit administration needs.

The Developmental Army Readiness and Mobilization System (DARMS), will age and become technologically obsolete. The cost of operating and maintaining DARMS, $4.1 million annually, will continue.

Most reserve component activities will continue being accomplished manually. Units will continue to operate using either manual or outdated computer generated information. Training time will continue to diminish as time available will be used to accomplish administrative tasks manually. As training time is reduced, readiness will continue to suffer.

QUESTION. Congress has provided legal requirements that the program be run by the Reserves who would choose the personnel to manage the project, control the money, form the acquisition strategy, and choose the vendor to deliver the system. Do you endorse this approach?

Mr. DUNCAN. Under normal circumstances, I would expect the overall service information systems staff to manage the development of a major system dealing with mobilization, which is a total force problem. However, I understand that for several years under the previous Continental Army Management Information System (CAMIS) system, progress was very disappointing. In the case of RCAS, day-to-day management by a Program Manager reporting to the Chief of the National Guard Bureau, seems to be having positive results. I see no reason why it should not continue to be successful.

QUESTION. What progress has been made since the Congressional restrictions were enacted about 15 months ago?

Mr. DUNCAN. Program management funds and control were transferred from the Army to the Chief, National Guard Bureau and a Program Manager appointed. Congressional direction has been implemented or program plans have been adjusted to meet future requirements. Transfer of management control of the Developmental Army Readiness and Mobilization System (DARMS) to RCAS is complete. At your direction, the DoD Comptroller has led this and other OSD offices in quarterly oversight reviews of the program. Reports of program progress have been issued to you on the basis of those reviews.

Last month, a draft functional description of reserve component mobilization and management requirements was completed and distributed for Army comment. Program management plans, including acquisition strategy, program development and cost schedules, and economic analyses have been completed but are being refined. Expert technical support has been acquired to analyze key technical issues and assist in preparing the plans needed to adequately fund and manage RCAS through its various life cycle stages. Two pre-solicitation conferences were held, an RCAS information bulletin board was established, and a functional requirements information package was released to industry for comment.

QUESTION. The Deputy Secretary of Defense directed the Army to use an A-109 approach for RCAS, and later Congress enacted this requirement into law. Do you favor an A-109 approach?

Mr. DUNCAN. Yes, because it allows industry the flexibility it needs to propose the most efficient and effective technological design for meeting reserve component mobilization and management information needs.

QUESTION. When will critical elements of RCAS be fielded?

Mr. DUNCAN. The current program schedule calls for fielding of critical elements during the fourth quarter FY 1992.

QUESTION. Army Undersecretary Stone advises the Committee to withdraw the restrictions on government furnished equipment and software currently in law.

Do you agree this should be done?

What would be the impact on the Reserves if at this late date they were told to restart the functional description using government furnished equipment and software?

Would the fiscal year 1992 fielding date be met,

Do you or anyone else in the Office of the Secretary of Defense favor a revised RCAS approach using GFE?

Would this result in an A-109 approach or a "modified" A-109 approach?

Mr. DUNCAN. It is my understanding that withdrawal of restrictions on government furnished equipment could result in the integration of the various different types of hardware and software already in place. It is unclear whether this would result in an efficient and cost effective system. As I am not an expert in such matters, I am reluctant to take the position that those restrictions should be lifted.

If the restrictions were lifted, the program would be delayed to incorporate necessary changes in the functional description, request for proposal and other system design and acquisition documentation. This would result in missing the fiscal year 1992 fielding date. I base this position on the fact that current plans call for RCAS' initial fielding of critical elements during the fourth quarter of fiscal year 1992. Considering the scope and nature of this project, even minor slippages could result in the fielding of RCAS beyond fiscal year 1992.

My understanding is that a strict prohibition of Government Furnished Equipment may result in a contract which includes procurement of some equipment and/or software which duplicates that already owned by the government. I also understand, however, in the case of the Army's reserve components, much of their equipment will be technologically obsolete by the time RCAS is deployed. As a result, I am inclined not to support the lifting of Government Furnished Equipment restrictions. I do not know the positions taken by my OSD colleagues on this issue.

As I am not familiar with the detailed requirements of OMB Circular A-109, I cannot authoritatively say if lifting restrictions on Government Furnished Equipment would constitute a modified approach. My understanding is that the intent of the A-109 acquisition approach is to provide industry the freedom to design technological solutions to functional needs without being required to consider design constraints arising from the existing automation environment. I fully support the A-109 approach.

QUESTION. The Office of the Secretary of Defense has a corporate review process (like the DAB for weapon systems) for large computer projects. It is called the Major Automated Information System Acquisition Review Council (MAISRC).

Mr. Duncan, have you ever attended a MAISRC on RCAS?

At what grade level does ASD (Reserve Affairs) send its representatives to the RCAS MAISRCs?

How active has ASD(RA) been in the RCAS MAISRC process?

Mr. DUNCAN. My Deputy for Program and Budget has attended every meeting of the MAISRC on RCAS since its inception. He keeps me abreast of what takes place during the meeting and provides continuity in guiding my office's efforts with respect to RCAS. I also rely on my Principal Deputy for advice and support on automation systems.

My understanding is that the RCAS MAISRC meetings are conducted at the Deputy Assistant Secretary of Defense level with rare exception. My representative is at that level.

OASD(RA) has been actively involved in every OSD quarterly review and MAISRC meeting concerning RCAS. I personally have met with Undersecretary Stone; the DoD Comptroller; the Chief, National Guard Bureau; the Chief, Army Reserve; and the RCAS Program Manager to discuss ways in which problems raised by the MAISRC could be resolved more quickly. I believe that we have been more active than any OSD office with the exception of the Comptroller, who chairs the RCAS MAISRC and has oversight responsibility for all Department management information systems.

QUESTION. Is RCAS fully funded in the five year defense plan accompanying the Reagan budget? How did it fare in the Bush amendment?

Mr. DUNCAN. At this time, there is no way to assess with certainty the adequacy of RCAS funding due to the fact that it is being acquired according to OMB's A-109 approach. Only after the contractor's bid proposals are reviewed will the Program Manager be able to make valid budget estimates. Funding for RCAS in the current five-year plan has been based on estimates resulting from a 1987 economic analysis of a "notional" system. It is my understanding that the economic analysis is being revised based on RCAS' newly expanded scope. Any resulting changes in funding will be identified through that process and should be completed by late summer.

As part of the recent budget review, some of the outyear funding was reduced by the Army with the understanding that when the aforementioned economic analysis was completed, proper funding levels would be programmed.

Question. Congress has appropriated over $200 million that DoD requested for RCAS. How many computers have been fielded to the Reserves with this investment? What has happened to the money?

Answer. The fiscal year 1988 Appropriations Act and accompanying language directed significant changes to the RCAS program. The Army has complied with these changes, resulting in major modifications to the schedule for designing, developing and acquiring RCAS. To my knowledge, no computers have been fielded to the Army reserve component with the $200 million Congress has appropriated for RCAS. This is due to fiscal year 1988 Appropriations Act language prohibiting the use of funds for procurement of mini- or micro-computers for the reserve component until the RCAS contract is awarded. The fiscal year 1989 Appropriations Act slightly modifies the restrictions on the purchase of computers for the Reserve Component, but still prohibits the use of RCAS funds for that purpose.

Of the $90.9 million appropriated and statutorily restricted in fiscal year 1988, $14.0 million of the operations and maintenance (O&M) appropriations was spent to support the program management office's operations. These funds included pay and travel for the office staff and contracts for services such as the preparation of the Functional Description. $53 million in unexecutable O&M RCAS funds expired at the end of fiscal year 1988 because statutory restrictions prohibited their use for other purposes. The fiscal year 1988 Other Procurement, Army (OPA) funds, which are available through fiscal year 1990, have not been obligated due to statutory restrictions and the current acquisition schedule.

In fiscal year 1989, $109.9 million was appropriated and statutorily fenced for RCAS. To date, $49.2 million in O&M funds have been identified as unexecutable and will expire at the end of the fiscal year. The remaining O&M funds will be spent on civilian pay and travel, office facilities, and support contracts. Fiscal year 1989 OPA funds will be applied to the procurement of competitive demonstration systems in fiscal year 1991.

[CLERK'S NOTE.—End of questions submitted for the record.]

THURSDAY, APRIL 6, 1989.

ARMY NATIONAL GUARD AND ARMY RESERVE

WITNESSES

LT. GEN. HERBERT R. TEMPLE, JR., USA, CHIEF, NATIONAL GUARD BUREAU

MAJ. GEN. WILLIAM F. WARD, USA, CHIEF, ARMY RESERVE

MAJ. GEN. DONALD BURDICK, USA, DIRECTOR, ARMY NATIONAL GUARD

INTRODUCTION

Mr. MURTHA. The committee will come to order.

Our first witnesses are Lieutenant General Herbert R. Temple, Jr., United States Army, Chief of the National Guard Bureau; Major General William F. Ward, United States Army, Chief of the Army Reserve; and Major General Donald Burdick, United States Army, Director of the Army National Guard.

The Army Reserve fiscal year 1990 request for reserve personnel and operation and maintenance is $3.1 billion, a 2.8 percent increase over last year. When including active military personnel, procurement, and military construction funds, it increases to $3.5 billion. This supports a Selected Reserve strength of 322,000.

The Army National Guard fiscal year 1990 request for reserve personnel and operation and maintenance is $5.1 billion, less than a one percent increase over last year. When including active military personnel, procurement, and military construction funds, it increases to $5.7 billion. This supports a Selected Reserve strength of 458,000.

When we get to the questioning, we will have several questions for each of you to answer and then we will get into specifics of each component.

Gentlemen, we welcome you. Your prepared statements will be inserted in the record. Please summarize your statements.

General TEMPLE. Thank you, Mr. Chairman.

With your permission, Mr. Chairman, I will not summarize and we will move on to General Burdick and General Ward and get on with the questions.

[The statement of General Temple follows:]

STATEMENT OF LIEUTENANT GENERAL HERBERT R. TEMPLE, JR.

LIEUTENANT GENERAL HERBERT R. TEMPLE, JR.
CHIEF, NATIONAL GUARD BUREAU

Lieutenant General Temple is the Chief, National Guard Bureau, Washington, D. C. The National Guard, located in 54 states, territories and the District of Columbia, consists of more than a half a million people. Army and Air National Guard units deploy and train worldwide in support of total force commitments.

General Temple, a native of California, enlisted in the 160th Infantry, 40th Infantry Division, California Army National Guard in 1947. During the Korean War, General Temple served in Korea as a non-commissioned officer with the Army's 5th Regimental Combat Team, 24th Infantry Division. He received a direct commission to Second Lieutenant in 1952.

General Temple has been a Company, Battalion, and Brigade Commander, as well as being Military Assistant to the Governor of California, and later Director of Emergency Services for the state of California. In 1975, he became Chief of Mobilization and Readiness followed by an assignment as Chief of Policy and Congressional Liaison for the National Guard Bureau. He was appointed Deputy Director of the Army Guard and was promoted to Brigadier General in 1978. In 1982, he was appointed Director of the Army Guard and promoted to Major General. In August 1986, he was appointed Chief, National Guard Bureau and promoted to Lieutenant General.

General Temple earned a Bachelor's Degree in Management from Golden Gate University, San Francisco, and a Master's Degree in Public Administration from Shippensburg State University of Pennsylvania. He graduated from the U. S. Army Armor Company and Career Officer Courses, the Army Command and General Staff College and the U. S. Army War College. His awards include the Distinguished Service Medal, Legion of Merit, Meritorious Service Medal, the Combat Infantryman Badge and numerous other U. S. and foreign decorations.

In addition to his military career and service in California State Government, General Temple is the former Vice President and part owner of a petroleum, chemical and ore trucking company in southern California.

INTRODUCTION

As Chief of the National Guard Bureau (NGB), I appreciate the opportunity to appear before Committees of the Congress again. I represent more than one-half million members of the Army and Air National Guard, and on their behalf, I thank you for your continued support which has contributed to our success.

Today's National Guard, Army and Air, has evolved beyond anything our forefathers possibly could have envisioned. We are our country's oldest military institution. We're proud, prepared, and professional and have worked hard to achieve our goals for over three and one-half centuries. While we are still involved in our states' local emergencies and disasters, we are also providing this nation with an effective, reliable, and credible military force capable of deterring aggression against our country or its allies. The National Guard constitutes a major portion of the nation's defense capability.

In today's world, our military leaders are challenged by numerous concerns, none more demanding than achieving more with less while conserving available resources. We are justifiably anxious about international military threats but we must also be cognizant of economic, political and social issues that affect our national strategy. Guard leaders today are endeavoring to identify new and innovative ways to improve our service to Nation and State. In order to better plan for the impact of military, social and economic influences on the Guard we have adopted a systems management approach to the future that is proactive. The NGB has established a long range planning process directed to focusing our efforts on specific, short and long term productivity improvements. The Army Directorate has for the past several years been closely involved in future planning and productivity enhancement. The results for the Army Guard have been significant and we have now developed a methodology to apply to the entire National Guard. Many members of Congress have already seen the product of their States National Guard long range plans.

STATE MISSION

Our state mission of responding to emergencies at the order of requests for the Governors continues at a high level. Requests for support to civil authorities and to Federal and State Drug Enforcement Agencies increased. In Fiscal Year (FY) 88, support missions were provided to 52 states and territories by more than 8,000 members of the Guard and utilized over 71,000 mandays of the Army and Air Guard. The Guard participated in one civil disturbance, 72 natural disasters, and 279 other miscellaneous emergency missions. The Guard participated in recovery operations following floods, tornadoes, hurricanes, and other natural disasters. We continued to provide humanitarian support by conducting search and rescue operations, supplying emergency power and water to communities, providing temporary shelter for the homeless, and evacuating critically ill and injured people.

NARCOTICS INTERDICTION AND ERADICATION

Also during FY 88, personnel of the Army and Air National Guard significantly increased assistance to Federal, State and local drug/law enforcement agencies in the war against illicit drugs within the United States. Over 450 missions were conducted. These missions which consisted of aerial observation and reporting of marijuana locations, air and surface transportation of law enforcement officials, radar and visual surveillance of suspected drug trafficking aircraft and vessels, and loan of specialized equipment. These missions involve more than 4,000 personnel from 32 states and used more than 50,000 mandays; missions were performed either in State Active Duty (SAD) status or incidental to Federal training periods. As a result of this involvement, approximately 725,000 marijuana plants were destroyed and over 2,200 pounds of cocaine were confiscated. This amounted to over $1,312,452,000 in illegal drugs that did not reach the streets of this nation. Our support to law enforcement is in keeping with the Guard's tradition of cooperation with Federal, State and local agencies in times of emergency.

FEDERAL MISSION

As important as our service to State and local government is, we must never forget that our principle mission is to provide properly trained and equipped units, capable of being mobilized and conducting combat operations. Our vital interests are no longer limited by our national borders and we have to demonstrate our resolve and our capability to protect our interests wherever they may be.

To perform our federal mission, we must maintain high levels of readiness. Readiness levels of the National Guard are classified, but I would welcome the opportunity to provide this information to the Congress in classified form to show the Guard's remarkable achievements.

DETERRENCE

In performing our federal mission, readiness and deterrence remain our keys to success. Deterrence is the most fundamental element of our defense policy and the cornerstone of our alliance relationships. Deterrence must prevent conventional and nuclear attack on our country and must extend such protection to our allies. Deterrence must be visible, and for it to work, both friend and adversary must believe in our resolve and capabilities.

Although deterrence is of utmost importance, we must be able to fight and win. Thus, our Guard soldiers and airmen must be fit to fight, trained to use the equipment provided, and taught to sustain themselves in a hostile environment. Our equipment must be state-of-the-art, able to destroy the enemy as well as to protect our troops. The Guard must be prepared as a force that contributes to peace through strength. In view of this, the value of Army and Air Guard participation in mission related training in varied locations contributes significantly to our ability to achieve wartime objectives.

For deterrence to be credible, we must demonstrate our capabilities in highly visible locations in concert with total force operations.

Today, the Air National Guard (ANG) comprises almost 90 percent of the Strategic Air Defense forces of the United States. As active Air Force participation in the strategic defense role is being reduced, the Air National Guard is providing units to fill the requirements left open. The Air National Guard maintains an around-the-clock alert posture at fourteen main operating bases and nine alert detachments provide a highly visible and effective display of our nation's commitment to strong homeland defense. We also continue to provide the air defense of Hawaii. The Guard has long been active in this arena and has gladly taken the mission as the "eyes and ears" of the North American Aerospace Defense Command (NORAD). In the past, the Guard has accomplished this mission with aging aircraft such as the F-4 and F-106. Now the Air Guard Air Defense units are modernizing with both F-15 and F-16 aircraft. Presently we have two Air National Guard general purpose units equipped with F-15s that also perform air defense missions. Additionally, plans call for two more Air Guard air defense units to receive F-15s while the remaining air defense units are scheduled to convert to F-16s.

However, to meet contingencies in any location where U. S. interests are threatened we must practice and enhance our skills in locations throughout the free world. We have continued to improve our ability to mobilize, deploy, sustain and maintain our forces and their equipment under simulated combat conditions. This contributes to a professional, disciplined military organization.

Like the Air Guard, the Army Guard demonstrates its deterrence value by visibly proving its capability to fight in critical locations throughout the world. Army Guardsmen train and conduct operations with active force soldiers in Europe, Middle East, Korea, Southeast Asia, Pacific Region, Caribbean and Central and South America.

Deterrence is a policy that works. The National Guard is a significant contributor to maintaining the peace.

TODAY'S NATIONAL GUARD

Today's National Guard is different. The professionalism of the over half a million men and women who serve their country as members of the Guard and the reliance this nation places on these citizen soldiers are what make it different. We welcome the responsibility. Guardsmen expect to be challenged and want the satisfaction of accomplishment. They are prepared to pay a high price in time and effort to better serve our nation. The Guard knows that its service is essential to our nation's security and the American people recognize our contributions. Now, for the first time in our peacetime history, we receive the resources to permit us to fulfill our wartime missions. For this we are grateful. Although there are many shortages that still plague us, the past several years have permitted us to improve our readiness to unprecedented levels.

The fact remains, however, that the security of our nation is not cheap. Although reserve forces are a bargain, strong active forces are essential to our defense programs. The active and reserve forces must be fully integrated in training, equipment, and systems. I believe today's Guard is the best trained, best equipped and most combat capable in our nation's history. To maintain this readiness and newly developed capability, it is essential that the American people support continued modernization of the Guard, enhanced training initiatives and resources to maintain equipment in "go to war" condition.

PERSONNEL

RETENTION RATES

There are those who assert that training demands are forcing our soldiers and airmen out of the Guard. To this I offer an Air Guard retention rate of 87 percent and an Army Guard retention rate of 82 percent, thus today's National Guard tops all other Reserve Components in terms of retention. Our people are staying because they are trained effectively with good equipment. They are recognized for their service and have confidence in their leaders.

END STRENGTHS

For the first time in ten years, the Air National Guard did not achieve the programmed end strength figures. The actual strength was 115,221 against an approved end strength of 115,900. Since the Air National Guard strength in FY 88 was being executed well ahead of programmed schedule, we had to revise our end strength goal last March to 115,200. With funded end strength for FY 89 at 1[illegible],975 with an average strength of 114,922, an end strength higher than 115,200 in FY 88 would have created unmanageable funding problems in FY 89.

The Army National Guard (ARNG) achieved an End Strength of 455,182. This is 99.8 percent of the programed 457,270. In FY 89, the Army National Guard will grow slightly to 457,300.

FULL-TIME SUPPORT

In the current environment of constrained resources, the probability of adding many national security missions to the economical reserve components is high. During 1988, more than 50 units of various sizes were added to the ARNG force structure. The full-time support program provides a cadre of full-time personnel in support of the overall mission of these units plus meeting manpower requirements for previously existing units of the National Guard. The program encompasses ANG and ARNG military technicians, Active Guard/Reserve (AGR) personnel, active component soldiers who are assigned to the ARNG, and Departments of the Army and Air Force civilians who work at the NGB and several Field Operating Activities (FOAs).

Program growth is the most critical issue facing the program today. Severe limitations on the projected expansion of the AGR force and the National Guard military technician force threaten the overall readiness of the Guard. Additionally, the careers of quality, professional soldiers are being constrained because of grade level restrictions on the AGR program.

Increased mission requirements and training demands necessitate AGR growth in deployable fighting units. The original ARNG request for 1,329 AGRs contained in the FY 89 column of the FY 88/89 President's Budget submission was reduced to zero growth in the amended FY 88/89 President's Budget submission. Additional funding constraints have reduced the FY 90 AGR growth to 250. This leaves the ARNG AGR strength at 62 percent of recognized requirements. This is 15,832 AGRs short of validated requirements.

The original ARNG request for 500 new military technician positions contained in the FY 89 column of the FY 88/89 President's Budget submission was reduced to zero growth in the amended FY 88/89 President's Budget submission. The request for FY 90 was originally for an additional 500 technicians. However, current budget guidelines allow FY 90 technician strength to be increased by only 337. The result is the ARNG is manned at only 86 percent of recognized technician requirements, and shortfall of 4,521 technicians.

Reliance on the Guard as a cost effective segment of the "Total Force" has increased dramatically in recent years. The Full-time Support Program is the framework upon which the strength of the Army Guard is built. The plan is well conceived, implemented, and managed. Requirements are well documented and must be supported if the Guard is to continue to accomplish its ever expanding mission effectively at minimal cost.

In FY 89 the initial budget for the ANG requested approximately 100 full-time positions which was subsequently increased by the Congress to include 73 more technicians and 86 AGRs to support force structure changes. The total full-time manpower growth for FY 89 was 269.

The Air National Guard has programmed growth of 583 AGRs and 262 technicians in FY 90. These increases will support security requirements as well as additional force structure and mission changes.

INCENTIVE PROGRAMS/ENTITLEMENTS

Incentive programs are essential to keep National Guard service attractive. The Army Selected Reserve Incentive Program (SRIP) provides enlistment bonuses that may be either a $2,000 critical skill or $1,500 unit bonus. Additionally, the program offers the retention bonus, affiliation bonus, the Student Loan Repayment Program, and the Health Professionals Loan Repayment Program. Current authority expires September 1990. In the past, Congress has granted SRIP authority in 2 or 3 year increments. The Department of Army and Department of Defense are requesting that this authority be extended to continue support for our recruiting and retention programs.

The Army Continuing Education System (ACES) provides various educational opportunities to enlisted soldiers and commissioned officers who attend school part-time (e.g., high school completion and part-time post-secondary school) and are not covered by the Montgomery GI Bill (MGIB). ACES also provides the credit-by-examination and credit-by-evaluation programs. Commissioned officers incur a four year Selected Reserve service obligation following the last ACES supported class.

The Montgomery GI Bill (MGIB) is a most valuable entitlement and provides benefits to our soldiers and airmen who are attending undergraduate college courses on a half-time to full-time basis. Presently, the ARNG has over 132,000 members and the ANG has over 40,000 members who meet basic entitlement eligibility. The Veterans Administration reports 48,366 ARNG members and 14,056 ANG members are receiving benefits. Our participation is expected to increase.

In addition to the MGIB, the National Guard offers incentives in the bonus and student loan repayment programs. These programs provide cash incentives and assistance in repaying qualified, federally insured student loans to members who enlist or reenlist in identified critical skills. Other benefits, such as ANG access to the Community College of the Air Force and ARNG and ANG free College Level Examination Program (CLEP) and Defense Activity for Non-Traditional Education Support (DANTES) testing, are also available to active duty guardsmen. These programs have proven to be effective tools for recruiting members. As retention tools, these programs save the Government substantial funds by reducing training costs associated with bringing new and untrained personnel into the Guard. Entitlements and incentives promote recruitment and retention of trained and experienced members, and must be continued.

EQUIPMENT

ARMY NATIONAL GUARD

ARNG record equipment receipts of $2 billion in FY 87 were surpassed by the delivery of $2.7 billion worth of equipment in FY 88. These deliveries increased the ARNG equipment inventory from $22.3 billion at the end of FY 87 to $24.9 billion at the end of FY 88. Although the receipt of this equipment from Army procurement and the separate appropriations from Congress have improved the ARNG posture, the growth of equipment requirements in the force structure continues to increase the need for additional equipment. The ARNG has 77 percent of its wartime required equipment on hand. In conjunction with our management practices and aggressive equipment cross-leveling programs, our capability based on available equipment improved so that 82.4 percent of ARNG units are in deployable status. This is an all time high.

Despite these gains, the ARNG remains critically short of many combat and support equipment systems. The value of equipment shortages is $7.3 billion at the end of FY 88. Examples of these critical shortages are medium tactical vehicles (5 ton trucks), armored personnel carriers, tactical FM radios, and aviation assets, both modern attack and support aircraft.

The most critical combat equipment shortages in the ARNG is modern tanks that can "kill" the most advanced Soviet tanks. The ARNG still has some M48A5 tanks which we hope to transition out of the Guard by 1991. The ARNG is principally equipped with M60, M60A1 and M60A3 tanks which are improvements over the M48A5, but still at a great disadvantage when engaging modern Soviet armor. We need M1 and M1A1 tanks now. Our roundout units to Active Components (AC) organizations have or are being equipped with M1 and possibly M1A1 tanks - but the vast majority of our armor force is not so equipped. This is a high priority need of the Army Guard.

AIR NATIONAL GUARD

Through additional specifically approved funding provided by Congress, the ANG has been able to buy new C-130s, new operational support aircraft (C-26As), and new MH-60 helicopters and HC-130N tankers for our rescue and recovery units. In FY 89, a modernization effort for the F-15A/B aircraft has been initiated. While this is a start on this very important upgrade of ANG F-15s, more is needed to accomplish a complete program. Miscellaneous equipment monies have provided the Air guard with more modern communications equipment, medical equipment, safety equipment, and training devices such as the Air Combat Maneuvering Instrumentation. However, a significant percentage of ANG tactical communications equipment remains obsolete resulting in an interoperability problem between US and allied forces. Our main objective is to upgrade all equipment from existing analog technology to state-of-the-art digital technology. The situation becomes particularly serious when it is realized that approximately 65 percent of the Air Force's tactical communications capability is in the Air National Guard.

Shortages of critical support equipment and service-spares will make it more difficult to support programmed force modernization actions as well as logistic support for existing assets. All ANG units also have been impacted by shortages in the Air Force stock fund program, thus compounding the shortages of serviceable assets.

TRAINING THE NATIONAL GUARD

ARMY NATIONAL GUARD TRAINING

Limited training time, unit dispersion, and constrained maneuver space as well as few gunnery ranges create unique training challenges for the ARNG. Many of these challenges can be satisfied through the innovative use of training devices and simulators. The ARNG has been in the forefront of applying cost effective training devices to meet the needs of Guardsmen who have limited time to devote to military training.

Several studies have been completed that describe the ARNG training problems and possible solutions. These studies recognize the use of simulators and training devices as a cost effective way to train to standard, considering the unique training environment in which the ARNG exists. Training devices and simulators fill part of the training to standard requirement since devices and simulators are not only cost effective but environmentally attractive.

Multiple Integrated Laser Engagement System (MILES) sets for major training areas are now in place. Fielding of platoon size sets for maneuver battalions has begun and is scheduled for completion in FY 89. M-81 chemical agent alarms have been fielded and nineteen Mobile Conduct of Fire Trainers (M-COFT) have also been fielded. GUARDFIST I and II research and development contracts have been awarded. After prototypes are accepted, tank crew and indirect fire support skills will be enhanced. The contract for the Precision Gunnery Trainer for DRAGON and TOW anti-tank missile system has been awarded and ARNG units will receive these trainers in FY 91 or FY 92. If the Active Component fields these in FY 90 or FY 91, the ARNG will have the opportunity to accelerate acquisition of these systems. These training systems provide maneuver units the opportunity to practice anti-tank gunnery in armories and on ranges without expending live missiles. This allows the use of Local Training Areas for realistic gunnery exercises. Vulcan/Stinger units will be equipped with a training device that permits training on actual weapons systems. This will allow acquisition of targets selected by an instructor, a squad leader or platoon sergeant, to fire on targets and have knowledge of whether the targets are destroyed or missed. NGB has funded 125 devices for the ARNG with a projected fielding date in FY 90. The Army has developed an interactive learning system called Electronic Information Delivery System (EIDS). This system will allow individuals and small groups to learn in an interactive mode and to use courseware tailored to a specific task. NGB has purchased 2,000 EIDS at a cost of $10 million and has spent over $500,000 to write new courseware and to convert old courseware to run on the EIDS.

The U. S. Army Training and Doctrine Command (TRADOC), on behalf of the ARNG, has awarded a contract to private industry to develop a Squad Engagement Trainer (SET). This device will allow a squad to train for tactical engagements in a meaningful and measurable way in the armory. This device is designed to develop marksmanship skills, practice troop deployment, correct tactics, and exercise those battlefield leader skills necessary for success in a hostile environment.

Advances have been made in the number and quality of devices and simulators dedicated for use by the ARNG, but many maneuver units have neither advanced training devices nor simulators. Combat Service Support units have few devices to assist them in sustaining their skills. We need innovative research in this area to enhance the capability of our support units.

Studies conducted by the Logistics Management Institute and the Industrial College of the Armed Forces coupled with the Department of the Army Management Action Plan recognized training shortfalls in Reserve Component maintenance units and recommended establishment of Reserve Training Site-Maintenance (RTS-MAINT). The RTS-MAINT provides maintenance military occupational skill transition and sustainment training, allowing the mobilization and deployment of Reserve Component maintenance companies capable of supporting current systems. The National Guard Bureau is working with the Department of the Army and the Major Commands to develop programs of instruction, procure facilities, provide manpower, and field training devices to the RTS-MAINT. The Army National Guard has proponency for thirteen RTS-MAINT sites.

Camp Shelby, Mississippi, is programed for the first ARNG Regional Training Site-Medical(RTS-MED). Camp Shelby will provide training to ARNG and USAR medical units programed to receive the U. S. Army's new Deployable Medical System (DEPMEDS). The first unit to be trained arrived at Camp Shelby in January 1989. The second ARNG Medical Training Site will be at Fort Indiantown Gap, Pennsylvania, and is scheduled to open October 1989. The primary mission of the RTS-MED is to conduct new equipment training and sustainment training at the unit level for those hospital units receiving DEPMEDS. In addition these sites are also designed to provide sustainment training for medical and medical maintenance personnel, Combat Casualty Care training, Combat Life Saver training, and Non-Commissioned Officer training. Consideration is also being given to establishment of a Medical Aidman (MOS 91A) course at the RTS-MED.

The Army National Guard Range Modernization Program is the key factor to providing the ARNG with modern and adequate training support facilities. Range modernization supports standardization and provides the critical elements needed to enhance weapon proficiency, qualification, laser safety and combat readiness. The Range Modernization Program was initiated during the late 1970s to support new weapons systems, new training doctrine, and to offer tactical training close to home. Until that time, the quality of ARNG training facilities varied from location to location, ranging from small undeveloped open fields to large nonstandard facilities. The range modernization program is built upon development, acquisition, and upgrade of local training areas and is designed to maximize training time while reducing material operating costs. A significant aspect of this program is the Army National Guard Master Range Plan which is driven by the states' Five Year Range Development Plans. This management tool incorporates all aspects of ranges and support facilities requirements. This makes it possible for the National Guard Bureau to assist with standardization, tracking, and inventory/prioritization of proposed Army National Guard modernization projects. The range modernization program has advanced through the success of the FY 87-FY 91 Program Development Package, which provided over $19 million in FY 89, FY 90, and FY 91. The Army National Guard Range Modernization Program also includes funding for Remote Targetry Systems through Other Procurement Army. The Army National Guard competes for Other Procurement Army funds based on program priorities. Current initiatives include submission of funding packages for FY 92-FY 97 which identifies the need, by range project, for expenditures of approximately $200 million on training range modernization. This initiative supports the development of ranges and procurement of training land which provide individual soldier marksmanship, armor and mechanized infantry, and combined arms training at various locations. This effort will make it possible to expend valuable training time efficiently in order to produce higher levels of readiness.

AIR NATIONAL GUARD TRAINING

To support the ANG training needs, we must look to the professional military education schools and technical training schools. These two separate areas provide training in our wartime tasks, Air Force Specialty Code (AFSC) qualifications and in the area of professional military education, leadership training, and advanced management courses. The Air Guard receives formal technical training for wartime skills through a combination of Air Force formal schools and unit on-the-job training. This combination provides a well-rounded, trained individual who can be rapidly mobilized and deployed. Our limiting factors are the availability of the traditional Guardsman, and the military personnel resources (currently costing more than $48 million annually) that provide the school days. We must constantly prioritize the level of training available for the new missions and equipment due to limited resources. Along with the technical training there is a need for professional military education which provides for the development of leadership skills and increases the management capabilities of the Air Guard officers and non-commissioned officers (NCOs). We need to maintain the current level of funding in the military personnel training accounts to pay for these school days. To meet our required FY 89 budget reductions, the funds that support our training were significantly reduced.

The Air National Guard is currently undergoing several upgrades in the quality of simulator assets for our Tactical Fighter forces. The F-16 simulator program has developed with emphasis placed on the Replacement Training Units (RTUs) at Tucson, AZ, McConnell Air Force Base, KS, and Kingsley Field, OR. Cost and the heavy demand of the ANG RTUs has driven the placement of these advanced assets at the locations where the training aircrew can derive the most benefits. Thanks to the advanced state of the F-16 cockpit trainers, Cockpit Procedures Trainer (CPT) and Cockpit Familiarzation Trainer (CFT), much of the work that was required of previous generation simulators can now be accomplished at the operational unit in training devices that are much more cost effective and less manpower and maintenance intensive. Air Defense F-16A/B units have all been programmed to receive these advanced CPTs and we are attempting to procure these trainers for our General Purpose F-16 units as well. Older generation simulators are being upgraded or phased out of the inventory. While the ANG is moving toward fewer simulators in the tactical fighter units, the improvements and key location concentration, coupled with the acquisition of high quality CPTs and CFTs will continue to allow the force to receive the highest quality training available.

The ANG operates five old C-130 simulators at different locations throughout the U. S. These simulators support over 450 aircrews in annual refresher programs. Units with C-130 simulators strive to provide the best possible training using antiquated 1960's era technology. These older technology simulators provide for no visual and very limited motion capability. The ANG is working with the Air Force Reserve on initiatives to restructure our C-130 simulator program to increase our simulator training capability and improve cost effectiveness. In addition to C-130 simulator training, the ANG contracts for civilian commercial simulator training for our KC-135 and mission support aircraft aircrews. These civilian contractors provide a safe, cost effective, means of training aircrews when no military capability exists.

The Air National Guard operates fifteen air-to-ground gunnery ranges, most of which were built to satisfy local needs for simple ordnance delivery and training events. The requirements of new aircraft, missions and ordnance demand improvement of existing ANG ranges, where possible. The Air National Guard is now completing a master range plan that concentrates on current ANG range capabilities, current/projected user requirements, and needed range improvement. The study will be the road map to plan major range initiatives over the next five to fifteen years.

The Air National Guard is also a full partner with other active and reserve components in overseas deployments, joint exercises, Air Force training exercises, and ANG sponsored Composite Force Training exercises. Participation in joint exercises has enriched ANG training and is a significant demonstration of increased readiness. ANG overseas deployments move entire units to theater locations throughout the world for short periods of time. Such deployments provide realistic, valuable, theater specific training. Since airlift costs account for more than 90 percent of deployment costs, the ANG continues to utilize several deployment concepts in order to maximize its training dollars. Using multi-unit deployments, the ANG has reduced per unit airlift costs by 20-25 percent. Use of dual-role KC-10s (air refueling and airlift) also reduced the overall deployment costs.

The Air Guard also supports the Active Army and Army National Guard in exercises. Joint training programs, such as those at the National Training Center, Fort Irwin, California, and the Joint Readiness Training Center, Fort Chaffee, Arkansas, provide joint training experience for both the Army and Air National Guard. Composite Force Training exercises are conducted throughout the year to sharpen ANG fighting skills and familiarize personnel with joint operations. These exercises are sponsored and planned by Air Guard flying units, Field Training Sites, and active Air Force units. Exercises encompass all mission areas of the Air Guard and are developed for the specific purpose of providing realistic training for all participants.

ANG Fighter, Reconnaissance and Tactical Air Support units deploy forces to overseas locations under the Tactical Air Command's Checkered Flag deployments program and in support of theater exercises. Tactical deployments train units in theater operations at their designated theater training bases in wartime employment roles. Theater exercises, such as Display Determination, Ocean Safari, and Reforger require ANG units to accomplish predetermined exercise objectives. Airlift costs range from $0.7 million to $1.5 million for the typical single-unit deployment, accounting for more than 90 percent of the total deployment cost. NGB has been able to reduce the per unit airlift costs by 35 percent through the use of ANG strategic airlift assets. In FY 88, nine Fighter and Reconnaissance units participated in nine Checkered Flag deployments. For FY 89, eleven Checkered Flag deployments are planned.

During Creek Corsair 88, three ANG A-7 units deployed to Spangdahlem Air Base, Germany for two weeks each during July and August of 1988. The object of this deployment was to provide a low cost, flying intensive training environment for units who have wartime tasking in the Central European region; aircraft and equipment remained in place - personnel were rotated via ANG KC-135 aircraft. This deployment was a successful test of the rotational deployment concept. Deployments of this type are planned for the future, provided resources are available. ANG KC-135 units annually deploy to several overseas locations to provide air refueling in support of overseas and deployed tactical forces. The KC-135 units deploy up to four aircraft and as many as 250 unit personnel for fifteen days annual training in support of U. S. Air Forces in Europe (USAFE) and Pacific Air Forces (PACAF) Air Refueling Requirements. The goal of the ANG in these operations is to combine the highest quality air refueling support of European and Pacific tactical forces with intensive training in European and Pacific theater tactics for its aircrews and supporting personnel. The development of Strategic Air Command's new Leading Shield deployments program will provide enhanced opportunities for ANG KC-135 units to train in overseas theater operations. In FY 89, two Leading Shield deployments are planned.

Each year, ANG communications personnel from joint communications support squadrons, combat communications groups, communications flights and engineering installation squadrons participate in numerous exercises around the world. During FY 88, over 2,300 communicators participated in over 30 exercises in the Pacific, Caribbean, South America, Middle East and European theaters. These exercises, conducted under a wide variety of circumstances and conditions, ensure that our communications personnel are ready to meet their wartime commitments.

ANG C-130 units deploy overseas for exercise participation, scheduled rotations, Special Assignment Airlift Missions (SAAM), Guardlift missions, USAF airlift augmentation missions and under the Volant Partner deployments program. Approximately nine different units participate in Europe each year through JCS exercises and European augmentations. Also, two or three units are programmed in the Pacific Theater every year for exercise participation. All twenty ANG C-130 units can also expect to provide airlift for overseas deployment, employment and redeployment of other DOD personnel and materials throughout the year. Finally, Air National Guard C-130s rotate to Howard Air Force Base, Panama, in support of Southern Command forces. The 28 ANG Tactical Control units are all worldwide wartime tasked. In order to successfully interface with other existing tactical radar assets, as well as tactical assets being used by the nations that we will re-enforce in the event of war, it is vital that we deploy our units to various theater training locations so we can train the way we will be expected to fight--as viable members of the Total Force.

Although requests for ANG assets continue to be sought for all exercises including those in overseas locations, the limiting factors of funding constraints, workdays allocation, personnel availability, and airlift, will combine to limit the exercise program to its current level of participation for the foreseeable future.

ARMY NATIONAL GUARD UNIT/INDIVIDUAL TRAINING

Several programs in the ARNG are key to providing the kind of realistic training our units need and deserve today. Each of these, the Overseas Deployment Training (ODT) program, the CAPSTONE program, training at the National Training Center (NTC), Joint Readiness Training Center (JRTC), Battle Command Training Program (BCTP) and participation in the Joint Chiefs of Staff (JCS) exercises are vital in the Guard's mandate to provide combat ready units in support of the total force.

The objectives of the Army National Guard ODT program are to: a) strengthen CAPSTONE associations; b) provide units the opportunity to conduct wartime mission planning and training in their overseas theater of operations; c) provide the opportunity to conduct mobilization, deployment; d) reception planning and training; and e) increase unit readiness by providing optimum participation of units/cells in OCONUS training. ODT does provide an opportunity for personnel to become familiar with their assigned area of operations, unit mission and the wartime operating procedures of their CAPSTONE gaining command. During FY 88, 29,937 Army Guardsmen participated in the ODT program. For FY 89, 31,573 Army Guardsmen are scheduled for ODT.

The National Training Center (NTC) is the Army's premiere collective training center. It trains the Army's battalions and brigades in the most realistic combat environment available in peacetime. Since 1983, twelve Army National Guard roundout battalions have trained at the NTC. Current schedules call for two additional rotations through FY 89. In addition to the normal rotational unit, numerous Guardsmen (approximately 1,015 in FY 88 and an estimated 2,000 in FY 89) train at the NTC as individuals in either a Key Personnel Upgrade Program (KPUP) status as a part of active force rotations or as members of the Opposing Force (OPFOR). In addition to NTC KPUP, a total of 6,101 soldiers were deployed elsewhere in the United States to participate in KPUP training during FY 88. KPUP OCONUS Deployment involved 2,039 soldiers to 19 countries to participate in 14 major Joint Chiefs of Staff Exercises. Without these key personnel participating in exercises, successful exercise achievements would have been reduced. As the total number of ARNG soldiers trained at the NTC approaches 4,000-5,000 per year, any reduction in resources for NTC will impact heavily on training of ARNG personnel.

The Joint Readiness Training Center (JRTC) is the training center for the Army's non-mechanized forces and their support element. Non-mechanized forces consist of light infantry, airborne, ranger, air assault, and conventional infantry units. In FY 88, one ARNG Battalion from the 29th Infantry Division (Light), Virginia and Maryland National Guard, participated in the JRTC. JRTC training in FY 89 consists of two ARNG battalion rotations, one from the 29th Division (VA and MD) and one from the 39th Separate Infantry Brigade (AR).

Army Guard units continued to be deployed and trained worldwide, a significant factor in our readiness enhancement. ODT and exercise participation provides Army National Guard (ARNG) soldiers the opportunity to become familiar with their unit's mission and conduct wartime mission planning while training in their assigned overseas Theater of Operations. Units identified on the Time-Phased Force Deployment List (TPFDL) and CAPSTONE alignment with the active forces are selected for ODT and exercises based on the OCONUS commands' requirements. The ODT plan for 1989 calls for participation of over 340 units/cells and more than 31,573 personnel.

JCS exercise participation is designed to train units in accordance with existing contingency plans. These exercises provide the opportunity to evaluate standing operating procedures and war plan development. They also provide opportunities for CAPSTONE wartime mission training and strengthening CAPSTONE relationships. During the exercises, commanders and staffs train in the Air Land Battle doctrine in as realistic an environment as possible. They can exercise and evaluate personnel and administrative, logistics, and communications systems. They can also weld all elements, combat, combat support, and combat service support, into an effective fighting force. Currently nineteen JCS exercises are scheduled for FY 89.

The Key Personnel Upgrade Program (KPUP) mission is to enhance the Military Occupational Skills of the Army National Guard's individual soldiers. We accomplish this task by assigning Guardsmen to active component elements, working alongside or in lieu of active component soldiers in the same military occupational specialty (MOS). These training opportunities exist overseas and within the continental United States.

The KPUP program came into existence in 1981 and deployed 26 officers to Germany. In 1988, we deployed 2,039 soldiers to 19 separate countries and over 7,000 soldiers within the Continental United States.

KPUP is the Army National Guards most successful program to sustain and enhance individual military skills.

The ARNG Battle Skills Course is proving to be an extremely effective training program for NCOs. Initiated in 1984, over 6,000 NCOs have been trained in current battle skills doctrine, with approximately 2,000 more projected to attend in FY 89. This unique course is two weeks in duration and was designed to meet the limited time available to part-time Army Guard NCOs. The course is structured to teach and practice squad and platoon level infantry tactics in a tactical environment. It stresses weapons, tactics, leadership, chemical protection and troop leading procedures. Commanders have remarked that a battle skills graduate "stands out" from other NCOs as an example of technical and professional competence. Graduates most frequently remark that all reserve component NCOs should attend this course.

Reserve Component Tank Commanders Course which began in 1984 has graduated over 1,600 Armor NCOs who have returned to their units as fully qualified tank commanders, trained and experienced in the operations of tank systems in the ARNG inventory. Again, this course is two weeks in length and is designed to accommodate the limited time available to citizen soldiers.

NGB Regional NCO Academies play a large role in improving the professional qualities of the ARNG NCO force. Although course content and duration of these schools are generally much shorter in length and curriculum than Active Component courses, they do accommodate the constrained time available to traditional Guardsmen. Even though they are limited in scope, these academies have trained over 43,000 NCOs principally in leadership techniques since 1985.

Military Occupational Specialty (MOS) qualification in the ARNG is at 81.9 percent of our enlisted soldiers and remains an area of concern. At any given time there is approximately 10 percent of the force waiting or in training to become MOS qualified through the Initial Active Duty Training Program. A significant number of prior service personnel, interstate transfers, and soldiers transferring between units do not have a MOS match in the position to which assigned. Whether gained through resident service schools, non-resident schools using courses tailored to our training environment, or in the absence of either of these, supervised on-the-job training, MOS qualification is a major challenge. The challenge to MOS qualify our personnel is resource intensive and we are focusing our attention and earmarking funds to ensure that our soldiers are properly trained.

The In-Service Recruiting Program has increased its emphasis on matching soldiers to MOS and grade vacancies upon transition from the active force to the ARNG. There is consideration being given to identifying AC soldiers desiring to continue their service in the Guard after discharge and training them in the MOS they will serve in with their Guard unit while still on active duty. Since 1986, the U. S.

Army Aviation Systems Command (AVSCOM) has operated on behalf of the U. S. Army Materiel Command (AMC) a European Aviation Classification and Repair Activity Depot (AVCRAD) facility at Brussels, Belgium. The permanent party includes one AGR Lieutenant Colonel who functions as the facility Officer-In-Charge and a small cadre of maintenance and operations personnel funded by AVSCOM. The purpose of the European AVCRAD facility is to provide a fully operational and provisioned "warm base" to which the 1107th (Missouri) AVCRAD can deploy for immediate use upon mobilization. The European AVCRAD provides the facilities for an in-theater aeronautical depot capability that is strategically located to classify, repair and return aviation materiel to the theater wholesale system and to reduce (by an estimated 30 percent) the mobilization depot surge at CONUS depots. It also provides the pre-mobilization base to which AVCRADs deploy for overseas deployment training (ODT) in preparation for their war time mission.

The ARNG AVCRADs performing ODT at the European AVCRAD facility enhance the peacetime USAREUR aviation maintenance programs by rotating ARNG personnel from the AVCRAD to the Brussels, Belgium, site throughout the training year. The current ODT plan calls for the 1107th (MO) AVCRAD to provide one cell of 30 personnel and ten cells of 15 personnel for 21 days each at various dates throughout FY 89. Future plans call for personnel from the California and Connecticut AVCRADs augmenting the 1107th (MO) AVCRAD ODT for the purpose of enhancing the overall readiness of the Aviation Depot Maintenance Roundout Units (ADMRU) program. The European AVCRAD facility also serves as the point of embarkation/debarkation for ARNG aviation units conducting ODT utilizing theater reserve aircraft. This activity offers Guardsmen a valuable individual training opportunity in an overseas operational environment.

In May 1989 the Army National Guard will assume management of a ground maintenance facility at Rhein Ordnance Barracks in Germany. This facility will be staffed with active Army and ARNG/USAR personnel on a full-time basis to manage the maintenance operations in support of USAREUR. In addition, this facility will also serve as a "hands on" training center for Guard and Reserve maintenance units which will be rotated from CONUS on annual training status to learn and experience maintenance procedures on the most modern equipment in the Army inventory. This is an unprecedented opportunity for Guardsmen to train on the most modern Army equipment and serve a total Army maintenance need.

Individual soldier proficiency is essential to combat operation. The NGB fully supports the development of reliable Skills Qualification Tests for reserve component personnel. TRADOC's efforts to develop tests that consider the equipment and training environment of reserve component personnel is to be encouraged.

MILITARY EDUCATION FOR AGR AND TECHNICIAN PROGRAM

During FY 88 approximately 8,323 AGR and military technician personnel successfully completed Active component Noncommissioned Officer Education System (NCOES) courses. It is estimated that 8,500 will complete appropriate NCOES courses for AGR/Military Technicians in FY 89. The Professional Development Program (PDP), formerly Military Education Program (MEP), is designed to provide a fully trained full-time force to the ARNG. It assures the American people that those who serve as either full-time AGR or military technicians are capable of not only performing their military specialities at the highest professional level, but that they can perform their duties in the combat environment the Army fights in. Equally important, it gives assurance to the nation that the officers and NCO's serving full-time at Federal expense are capable of effectively leading and teaching subordinates the most current doctrine and skills so that their subordinates might survive in battle.

The Battle Command Training Program (BCTP) is a command post exercise developed to fulfill the training needs of division and corps commanders and their staffs by providing a new learning and exercise environment for them. The program develops division and corps commanders' and staffs' expertise in large unit operations, command and control, decision making, and efficient and thorough staff work.

This establishes for them tough combat performance standards. BCTP was just introduced into the Army's training scheme this year.

BCTP is designed as a two-part exercise. Phase I includes a 3-5 day Seminar at Ft. Leavenworth, Kansas for approximately 15-20 key personnel from the division. Approximately six months later Phase II occurs, a 9-day war fighter exercise (WFX). The WFX includes a deployment to the field of the division headquarters and all major subordinate headquarters staffs. ARNG divisions will undergo the WFX during annual training (AT) at their AT site.

The ARNG unit that underwent BCTP in FY 88 was the 47th Infantry Division (ID) from Minnesota. The 38th ID from Indiana and the 28th ID from Pennsylvania are planned for FY 89.

NGB MANAGEMENT/UNITED STATES PROPERTY AND FISCAL OFFICES (USPFO)

The Army and Air National Guard budget for 1988 exceeded nine billion dollars exclusive of major items of equipment, which are acquired by the Guard through Army and Air Force acquisition procedures. In order to effectively manage Federal resources and assets provided to the State National Guards, the Chief, National Guard Bureau exercises his responsibility for accounting and obligation of Federal funds in accordance with applicable statutes and regulations, through a USPFO Officer, who is located in each State and territory. USPFOs account for an Army and Air Guard equipment inventory valued at over $49,900,000,000, and a facilities inventory valued at $14,229,000,000. The National Guard conducts over 530,000 contracting actions per year involving in excess of $746,920,000 of Federal funds. In the conduct of NGB's contracting program we have achieved success in our efforts to provide opportunity to small business, minority and disadvantaged business':

NGB '88 RECORD

	DOD GOALS	ATTAINED GOALS
Small Business Prime Contracting	70.0%	80.9%
Small Business Set-Aside	67.6%	66.8%
Small Disadvantaged Business Prime Contracting (8(a) and Direct)	6.3%	6.7%
Women-Owned Small Business	$7.0 Million	$9.6 Million

USPFO's are routinely inspected by auditors and Army Inspectors General with highly commendable results. The 570,000(+) Army and Air Guardsmen are paid and supported through the exceptional performance of our USPFOs and their professional staffs. This unique Federal/State relationship is an example of effective management of a large and dynamic organization in a cost effective manner. NGB is concerned that as the roles and missions of the National Guard accelerate and expand, the ability of USPFOs to meet their responsibilities where current personnel resources permit a nationwide average manning of only 85 percent of authorization. In addition, because of low Federal pay scales, in some geographical areas it has become virtually impossible to retain employees who are trained, skilled and experienced in those functions essential to USPFO responsibilities.

FACILITIES

The rapid expansion and mission changes within the National Guard have outpaced available budget allocations to the point that we are unable to complete required facilities within the time frame needed by units. The unfunded military construction backlog now approaches $4 billion. Despite recent increases in funding, we are not keeping pace with the highly essential facility requirements that are necessary to support the personnel, training, and mission requirements of the Army and Air National Guard.

The type of facilities most needed by the Air National Guard include aircraft maintenance, jet fuel storage, warehousing, squadron and personnel training, vehicle and base maintenance.

Force structure changes within the Army National Guard over the past ten years have created an unfunded backlog of over 500 armories that need to be replaced, expanded or built. These inadequate facilities severely impact on the quality of classroom training and the storage of increased levels of supplies and equipment. Surface equipment maintenance shops must be modernized to support the new combat and support equipment on hand or planned for the Army National Guard. Over 500 maintenance shops, equipment parking hardstands and warehouses are needed to be expanded, replaced or built. New ranges are required that are compatible with the surrounding environment and new training site cantonment facilities are needed to support the year round use of these ranges and other training areas.

RESERVE COMPONENT AUTOMATION SYSTEM

The 100th Congress appointed the Chief, National Guard Bureau as the source selection authority for the Reserve Component Automation System (RCAS). The system will automate the data needed to mobilize the ARNG and the Army Reserve and is crucial in improving the mobilization process of both components. In addition, RCAS will also substantially enhance the management of the Guard and Reserves. The functional description is now being written for industry release in the fall of 1989. Although fielding of critical mobilization elements is scheduled for late 1992, we are hopeful of reducing that time once the functional description is completed. The RCAS program is achieving the objectives directed by Congress and we are managing resources in accordance with Congressional direction.

SUMMARY

The American people and the Congress are placing their treasure and their trust in the National Guard because they know that an investment in the Guard is an investment in their future. This changing of the Guard is what we have always asked for -- the reliance of our nation upon the Guard, recognition for service, and the resources to permit us to accomplish our missions. In large part we have that now, but there is certainly more to be done. Everyone cannot serve in today's Guard. The demands are extraordinary. For those who do serve we owe them the finest training and best equipment to assure their success in battle. The National Guard has done everything our national leadership and the Congress has asked it to do. We assume increased missions, Federal and State; we place immense demands upon our personnel in time and effort, often uncompensated. We expect our soldiers and airmen to be prepared to mobilize, deploy and fight with little or no additional training or preparation - this is more than we've asked of any past generation of Guardsmen. Yes, the Guard is a national security bargain. It is a bargain only if it can fight and win - if it can't, it is a poor investment. The Guard has demonstrated its capability to fight and win when properly trained and adequately resourced. It is the responsibility of the Congress to allocate money to provide for this nation's security. Our Guardsmen deserve your support.

Mr. MURTHA. General Burdick.

SUMMARY STATEMENT OF GENERAL BURDICK

General BURDICK. Mr. Chairman and members of the committee, on behalf of over 455,000 Army National Guardsmen and women, I welcome the opportunity to discuss the posture of our Army National Guard.

I have a statement that I wish to submit for the record and with your permission, I would like to comment briefly on a few aspects of this statement.

Today the Army National Guard, our Nation's "Army on Call" has taken on new responsibilities. With high-quality soldiers, trained, equipped, and modernized to a greater extent than ever before, the Army National Guard is at its high's level of readiness in our 352-year history.

The Army's total force policy and the resources provided by Congress have made this improvement in the decade of the eighties possible. We want to continue to improve our readiness capability.

In light of current budget constraints and possible budget reductions, the Army Guard, in order to maintain readiness, will apply the following priorities:

For personnel; retain quality soldiers, staff our force structure and increase full-time support.

For training; emphasize individual, unit and leadership training.

For equipment; continue modernization and ensure quality maintenance for the entire equipment inventory.

By adhering to these priorities and using innovative management initiatives, we can still continue to accomplish our mission of producing combat-ready units.

However, I would be negligent if I did not point out some concerns that I have for the Army Guard's ability to function successfully in this constrained environment.

Required full-time support is today our most critical need impacting on sustaining the combat readiness of the ARNG. This program provides a cadre of AGR and technician personnel in support of our ARNG units.

Included are personnel in deployable units in support of training, supply/logistics, personnel, administration, and recruiting/retention; and in non-deployable facilities such as ARNG Mobilization and Training Equipment Sites, MATES, Combined Support Maintenance Shops, CSMS; and Army Aviation Flight Facilities, AAFF.

The shortage of full-time support personnel to support deployable fighting units will seriously impact on our ability to maintain and improve the combat readiness of the ARNG and on our ability to achieve effective AGR and military technician career management programs.

The second most critical issue is maintaining operating tempos. Operating tempos are what we in the Army use to gauge the amount of time our units can train on major pieces of equipment such as tanks or helicopters.

In order to maintain readiness, we must maintain our operating tempos at the requested budget levels to keep our units properly trained.

The fiscal year 1990 budget for the ARNG reflects a no-growth posture which could impact on our ability to maintain current readiness. The challenges now facing the ARNG will be even greater than in the past. The ARNG has grown, improved, and modernized considerably in the last ten years. We need to maintain this momentum.

With the help of this committee and the Congress, we expect that we will be able to do this.

We need the manpower and the dollar resources to sustain this readiness.

I would like to thank the committee for the assistance you have given us in the past.

I would be pleased to answer any questions.

[The statement of General Burdick follows:]

STATEMENT OF GENERAL DONALD BURDICK

I. FOREWORD

Today the Army National Guard (ARNG), our Nation's "Army on Call", has taken on new responsibilities. Staffed with high quality soldiers, trained and equipped to a higher level of readiness, and modernized to a greater extent than ever before, the Army National Guard is the best it has ever been in its 352 year history. The Army's Total Force policy and the resources provided by Congress have made this transition possible in the decade of the 1980's.

The ARNG has proven to be cost effective in performing both its state mission of providing military support to civil authorities and its federal mission of deterring war. Dramatic improvements occurring in our ARNG in the 1980s include the following:

--- End strength and force structure increased by approximately 100,000 to a projected End Strength of 457,300 for Fiscal Year 1989.

--- The number of ARNG units with early deploying missions increased 151%.

--- The number of new and existing units reporting an overall ready status to perform their wartime mission increased 31%.

--- High priority units are being equipped with the most modern equipment available to the Total Force.

--- Training opportunities have greatly expanded with the use of local, regional, national and joint training areas and centers. The use of high technology training equipment and training simulators enhanced our ability to make maximum use of limited resources.

--- Training opportunities for qualification of both individual soldiers and leaders have been extended to include field environments around the world.

With Congress applying the needed manpower and dollar resources, the ARNG will continue to meet the requirements of becoming an even more viable and cost effective military force. We look forward to the challenges and opportunities for improvement and growth that the decade of the 90's will bring.

II. GOALS

Army National Guard soldiers are unlike any others. George Washington once stated, "The militia is certainly an object of primary importance, whether viewed in reference to the national security, to the satisfaction of the community, or to the preservation of order". More recently Charles Moskos, a leading sociologist, has characterized the citizen soldier's role as the epitome of national service. The ARNG gladly accepts its role as a citizen soldier force with a responsibility not only to support the states and territories when called upon, but also to defend our nation as a part of a military force to deter war and if this fails to fight and win.

To accomplish our missions in the 1990s, the ARNG must achieve four important goals.

Personnel --- Retain quality soldiers, staff our force structure, and obtain necessary Full Time Support.

Training --- Improve readiness through individual, unit, and leadership training.

Equipment --- Obtain state-of-the-art equipment and ensure quality maintenance for the entire equipment inventory.

Readiness --- Manage all resources to assure a fully capable force.

While focusing on these goals, we must also ensure attention is given to each citizen soldier. The safety and well-being of our soldiers and their families is important to the accomplishment of our mission. We must have soldiers who train in realistic, but safe environments and who are physically fit and mentally ready to perform their duties.

III. MISSIONS

The Army National Guard is unique in that it has two distinctly different missions. The first mission is to provide support to civil authorities during state emergencies such as natural disaster or civil disorder. The second mission is to provide properly trained and equipped units to deter war and to mobilize in the event of national emergency by providing combatant forces to the Commanders-in-Chief of Unified Commands.

A. STATE MISSION

Requests for ARNG support to civil authorities continued to increase during Fiscal Year (FY) 88. Our units provided support to 52 states and territories during 330 separate emergencies. This total included both civil disturbance and recovery operations following floods, tornadoes, hurricanes, and other natural disasters.

In addition, the ARNG provided humanitarian support by conducting search and rescue operations, supplying emergency power and water to communities, providing temporary shelter for the homeless, and evacuating critically ill and injured people.

Congress has recently added the mission to enhance ARNG support to federal and state authorities in drug interdiction. The war on drugs is a vitally important mission and one uniquely suited to our role as citizen soldiers. We readily accept the challenge. The number of states involved in drug suppression operations increased from 19 states in 1983 to 32 states in 1988. As a result, almost 700,000 marijuana plants were destroyed and 2,270 pounds of cocaine, worth $1.1 billion, were confiscated during FY 88.

B. FEDERAL MISSION

The ARNG provides properly trained and equipped units available for prompt mobilization in the event of a national emergency or war. Currently the ARNG provides 44% of the combat units, 31% of the total Combat Support, and 25% of the Combat Service Support units of the Total Army. This includes 36% of the combat divisions (10 out of 28); 20% of the Air Defense Batteries; 50% of the Field Artillery Battalions; 33% of the Aviation units; 41% of the Engineer Battalions and 25% of the Special Forces Groups. All of these forces will be used to support Commanders-in-Chief (CINCs) in their wartime mission. As more missions are directed to the ARNG in the future, support for the ARNG must be raised proportionately to support any additional growth.

IV. THE ARMY NATIONAL GUARD OF THE 1980s AND THE NEXT DECADE

The ARNG made tremendous strides in strength, training, and equipment readiness during the 1980s. Our end strength grew by over 100,000 and we have achieved a readiness status as 90% of our units are now reporting "ready" for equipment on hand. This was achieved with a budget that increased from $2.1 billion in FY 81 to $5.6 billion in FY 89 as well as distribution of over $9 billion in equipment in the past eight years. It is critical that if we are to maintain this high state of readiness into the next decade we must maintain and efficiently manage all of our available resources.

A. PERSONNEL

END STRENGTH

Although the strength of the ARNG has never been higher, we must work even more diligently to maintain that strength as we enter a period of decreasing manpower availability. To maintain our strength, we must focus not only on recruitment of quality soldiers but on increasing the retention of qualified soldiers.

OFFICER MANAGEMENT

The need to fill officer positions in the ARNG remains an important concern. While the budgeted officer strength was met in FY 88, the ARNG must increase officer strength by almost 1,800 to meet officer requirements of over 51,000 by FY 91. The ARNG will accomplish this through accession of quality officers from ROTC, State Officer Candidate Schools, and prior service commissions.

RETENTION

The ARNG reduced its attrition rate to 18.7% in FY 88 -- the lowest ever and a significant improvement over the FY 87 rate of 20%. Attrition was reduced by over 4,500 soldiers, resulting a savings of over forty million dollars in training costs. It is very clear that we must retain trained soldiers, our most precious resource, through sound management of attrition which will increase readiness by reducing personnel turnover. The goal of the ARNG through the 1990s is to keep losses at or below 18% of end strength.

RECRUITING

Nationwide recruiting efforts have produced positive results for our ARNG. In FY 88, the ARNG achieved its best quality marks ever for non-prior service accessions. The Test Category IV rate for FY 88 was reduced to 8.8%, and 88% of new accessions were high school graduates. Our goal is to double the number of women recruits in the ARNG to 10,000 during FY 89.

We had 46,779 participants in the Montgomery GI Bill at the end of FY 88. This program provides benefits to soldiers who attend undergraduate college on a half-time or more basis. The number of participants in this program is projected to reach 55,000 by the end of FY 90.

The ability to maintain quality accessions will present yet another challenge to the ARNG in light of constrained resources. A reduction in recruiting support and advertising funds will hamper our ability to reach the targeted, high quality 17 to 21 year old non-prior service individuals through 1995.

FORCE STRUCTURE

The ARNG has experienced many changes in its force structure to include numerous conversions to the Army of Excellence (AOE) design. The ARNG has had several "firsts" during the late 1980s. The first Apache (AH-64) attack helicopter battalions have been activated to support corps and theater war fighting capabilities, the 629th Military Intelligence Battalion (CEWI) of the 29th Infantry Division was activated (the first ARNG unit to receive Signal Intelligence equipment); and the first Multiple Launch Rocket System (MLRS) Battalion has been fielded in the Oklahoma ARNG. During FY 89, the conversion of ARNG aviation units to Army of Excellence design will continue. Conversion of division aviation brigades is nearly complete, and corps and theater aviation organizations will be completed in FY 89 with five aviation group headquarters being established for command and control of attack helicopter battalions. Conversions during FY 89 will include two armored cavalry regiments to armored brigades. Ten units will be activated during FY 90 to include two Hawk battalions (Florida and Ohio); a chemical brigade headquarters in Illinois; three MASH hospitals (Georgia, Indiana and Ohio); a combat support hospital (Colorado); and two Military Intelligence (Linguist) Battalions (Louisiana and Washington).

During FY 91, 16 major force structure actions will occur in the ARNG. These will include; two chemical smoke generator companies, four Quartermaster Petroleum Pipeline and Terminal companies, four signal companies, a headquarters and headquarters battery for an Air Defense Artillery (ADA) Brigade, a Vulcan gun/Stinger ADA battalion, two medium truck companies and a Hawk missile battalion. Stationing plans are currently being prepared for the location of those units being activated.

FULL-TIME SUPPORT

Full-time support is critical to combat readiness of the ARNG. The full-time support program provides a cadre of full-time personnel in support of overall readiness mission. The program encompasses ARNG Active Guard/Reserve (AGR) soldiers, ARNG Technicians, active component soldiers assigned to the ARNG, and Department of the Army civilians. Required growth is the most critical issue facing the full-time support program. Limitations on the projected expansion of the AGR force and, the National Guard technician force will impact adversely on the overall readiness of the ARNG and on our ability to achieve effective AGR and Technician career management programs.

B. TRAINING

The multitude of training opportunities available today for our ARNG soldiers and units is key to providing realistic, mission-oriented training and improving readiness. The Professional Development Program, Key Personnel Upgrade Program (KPUP), Overseas Deployment Training (ODT), CAPSTONE, training at the National Training Center (NTC) and at the Joint Readiness Training Center (JRTC), Battle Command Training Program (BCTP) and the Joint Chiefs of Staff (JCS) exercises are vital to meeting the ARNG's mission to provide combat ready units in support of the total force and Unified Commanders missions.

RESERVE COMPONENT TRAINING STRATEGY

The Reserve Component Training Strategy Task Force was created to develop a training strategy to enhance the warfighting readiness of the Reserve Components to include the ARNG. The program is managed from Headquarters, Department of the Army (DA) with annual program oversight through the Reserve Component Coordination Council (RCCC). This action plan includes initiatives to improve readiness in the areas of individual, leader, and collective training, as well as improved training support and management. This program is funded at $41.5 million in FY 90 and $47.3 in FY 91. These funds will be used to implement an extensive Military Occupation Skill Qualification (MOSQ) upgrade program within the ARNG. PROFESSIONAL DEVELOPMENT EDUCATION

The Non-Commissioned Officer Education System (NCOES) continues to provide our NCO leadership with opportunities to participate in resident training courses on the latest tactics, doctrine, and systems, thereby, reinforcing MOS skills and leadership abilities. The Army's ability to field a combat-ready force requires the development of ARNG leaders who can, on short notice, deploy, fight and win.

In FY 88, the Reserve Component NCOES (RCNCOES) was restructured to include job related tasks in addition to Army leadership training and battlefield survival skills. The revised RCNCOES consists of three levels of progressive NCO education which provide the necessary knowledge and skills required to train individuals and small units to go to war. This program includes the Primary Leadership Development Course (PLDC), the Basic Noncommissioned Officer Course (BNCOC) and Advanced Noncommissioned Officer Course (ANCOC). Sufficient resources have been provided to give this training opportunity to all drilling ARNG personnel. During FY 88, over 21,000 soldiers graduated from RCNCOES courses. Current trends indicate that the number of NCOs who graduate from RCNCOES will increase to 25,000 each year through FY 91.

In addition to RCNCOES Courses developed for the citizen soldiers who are unable to leave their civilian vocation for extended periods, we have set professional standards for our full-time NCO workforce which are the same as for their active component counterparts. Active Guard/Reserve (AGR) soldiers must successfully complete active component NCOES courses for their current military grade and skill level as a condition of continued employment in the AGR workforce. As of FY 88, Military Technician personnel must successfully complete Reserve Component or Active Component NCOES courses appropriate to their current military grade for promotion to the next higher grade.

It is estimated that 8,500 AGRs and Technicians will complete the appropriate NCOES courses each year through FY 91. The purpose of the Reserve Component Tank Commanders Course (RCTCC) is to prepare ARNG NCOs and Officers for the duty position of Tank Commanders in a tank company or cavalry troop. This Tank Commanders course is taught at Gowen Field, Boise, Idaho. Since FY 84 1,600 ARNG soldiers have graduated from RCTCC. 600 soldiers are programed to complete the course each year through FY 91.

The ARNG NCO Battle Skills Course (BSC), taught at Camp Robinson, Arkansas, was developed to sustain combat skills among our NCOs. All ARNG NCOs are eligible to attend. BSC provides training in the technical and tactical employment of infantry squad and platoon weapons, live fire exercises, the use of supporting weapons available to the infantry squad and platoon, and battlefield survival techniques. More than 6,300 ARNG NCOs have graduated from BSC. An additional 2,000 graduates are programmed each year through the 1990s.

KEY PERSONNEL UPGRADE PROGRAM (KPUP)

Our FY 90-91 budget includes funds for over 4,000 ARNG soldiers to train in a KPUP status at the National Training Center. This program allows individual ARNG soldiers to improve their MOS skills by training with active component units with similar "go to war" missions. As the number of ARNG soldiers trained at the NTC approaches 5,000 per year, any reduction in resources for KPUP will impact heavily on realistic MOS training for key ARNG personnel. In FY 89 an estimated 2,000 soldiers will participate in either a KPUP status or as members of the Opposing Forces (OPFOR) at the National Training Center. Elsewhere a total of 6,000 soldiers will be deployed in the United States to participate in KPUP training during FY 89, while 2,000 soldiers will participate in JCS Exercises overseas. This program is being expanded to include over 7,500 soldiers each year through FY 91.

OVERSEAS DEPLOYMENT TRAINING (ODT)

ODT provides the opportunity for unit personnel to learn about their assigned area of operations, unit mission and wartime operating procedures of their CAPSTONE gaining command. During FY 89, almost 31,000 Guardsmen are scheduled for ODT with an anticipated 32,000 each year through FY 91. The objectives of the ODT program are to:

1. Strengthen CAPSTONE associations.
2. Conduct wartime mission planning and training in their overseas theater of operations.
3. Conduct mobilization and deployment training. 4. Provide for reception planning and training.
5. Increase unit readiness by providing optimum participation of units/cells in OCONUS unilateral, joint and combined exercises.

THE NATIONAL TRAINING CENTER (NTC)

NTC is the Army's premiere collective training center. It provides the most realistic combat environment available in peacetime. Since 1983, twelve Army National Guard roundout battalions have trained at the NTC. Current schedules call for two ARNG Battalion rotations each year in FY 89, 90 and 91.

THE JOINT READINESS TRAINING CENTER (JRTC)

JRTC located at Fort Chaffee, Arkansas is the training center for the Army's light infantry, airborne, ranger, air assault, and conventional infantry forces with their support elements. Two ARNG battalion will participate in exercises at the JRTC in FY 89, one from the 29th Infantry Division (Light) and one from the 39th Separate Infantry Brigade. The ARNG is currently identifying four battalions, two each year, to train at the JRTC in FY 90 and 91.

JOINT CHIEFS OF STAFF (JCS) EXERCISES

JCS exercise participation is designed to train units in accordance with existing contingency plans and improve the ability of ARNG units to accomplish JCS directed wartime missions. These exercises evaluate standing operating procedures and war plan development. They also provide opportunities for CAPSTONE wartime mission training and for strengthening CAPSTONE relationships. During JCS exercises, commanders and staffs train in the Air Land Battle doctrine in a realistic environment. They exercise and evaluate personnel and administrative, logistics, and communications systems. The commander and his staff also weld all elements - combat, combat support, and combat service support - into an effective fighting force. Currently 16 JCS exercises are scheduled for FY 90 and 91.

THE BATTLE COMMAND TRAINING PROGRAM (BCTP)

With today's constrained resource environment, this command post exercise has been developed to fulfill the training needs of division and corps commanders and their staffs without the need for an entire division participating in field exercises. The program trains to tough, combat performance standards, thereby improving commander and staff combat readiness. It develops and tests expertise in large unit operations, command and control, decision-making, and efficient and thorough staff work.

BCTP is designed as a two-part exercise. Phase I includes a seminar at Fort Leavenworth, and phase II includes a 9 day War Fighter Exercise (WFX). The WFX includes a deployment to the field by the division headquarters and all major subordinate headquarters staffs. Two divisions will participate in BCTP each year through FY 91. The 28th Infantry Division (Pennsylvania ARNG) and the 38th Division (Indiana and Michigan ARNG) will undergo the WFX during Annual Training in FY 89.

AVIATION TRAINING

The ARNG has two centralized Army Aviation Training Sites (AATS) which support training for aviation skills unique to the ARNG. These sites, the Eastern and Western AATS, are located in Pennsylvania and Arizona, respectively. The Eastern AATS (EAATS) emphasizes individual aviator qualification training in utility and cargo rotary wing aircraft and selected fixed wing aircraft. The Western AATS (WAATS) focuses on attack and aeroscout rotary wing training. At the EAATS, nearly 15,000 aircrew flying hours have been conducted in the UH-1H synthetic flight training system that supports Active Component, Army Reserve and Army National Guard aviators on a regional basis. Additionally, Both AATS operate a state-of-the-art computerized AH1 (Cobra) flight weapons simulator to improve the combat readiness of ARNG attack helicopter pilots.

With reductions in flying hours due to constrained resources and limited training available in metropolitan areas, the number of simulator training hours utilized at each AATS is expected to increase dramatically in the 1990s. Training at the AATS will become critical in maintaining pilot proficiency and mission readiness. In FY 88, the first ARNG Apache Attack Helicopter Battalion in North Carolina was certified combat ready. In FY 89, Apache Attack

Helicopter Battalions in both Florida and South Carolina will begin training at home station and deploy to Fort Hood for combat certification in FY 90. The ARNG has established mandatory Night Vision Goggle (NVG) qualification for all

ARNG helicopter pilots. All pilots are now NVG qualified during initial flight training at Fort Rucker, Alabama. In addition, NVG mission training in unit tactical tasks was mandated for specific positions identified by the unit commanders. More than 80 percent of all ARNG aviators are now NVG qualified, with more than 30 percent mission trained. The goal of the ARNG is to have 100 percent of our pilots NVG mission trained and 50 percent current by FY 90. This training can be accomplished as a part of the currently funded flying hour program.

TRAINING SUPPORT

Limited training time unit dispersion, constrained space for maneuvering units and for gunnery ranges create unique training problems for the ARNG. Many of these problems can be overcome through the innovative use of training devices, simulators, simulations, and a comprehensive development program for local training areas. Currently the ARNG is working with states such as Maine, Kentucky, and Nevada to provide land at no cost for unit maneuvers.

TRAINING SYSTEMS

Multiple Integrated Laser Engagement System (MILES) sets for major training areas are now in place. Fielding of company size sets for maneuver battalions is scheduled for completion in FY 89. This will complete scheduled procurement of MILES sets for the ARNG. M-81 chemical agent alarms and nineteen (19) Mobile

Conduct of Fire Trainers (M-COFT) have been fielded. The Guard Unit Armory Device Fullcrew Interactive Simulation Trainer (GUARDFIST) I and II research and development contracts have been awarded. After prototypes are accepted, tank crew and indirect fire support skills will be enhanced. ARNG units begin receiving the Precision Gunnery Trainer for DRAGON and TOW antitank missile system in FY 91/FY 92. This training system will provide maneuver units the opportunity to practice anti-tank gunnery in armories and on ranges without expending live missiles.

Vulcan/Stinger units will be equipped with a training device that will allow training on actual weapons systems in the armory. The soldier will be able to acquire targets, fire, and determine whether the targets are destroyed. In FY 90, 125 of these devices will be fielded to the ARNG. In addition 2,000 Electronic Information Delivery Systems (EIDS), an interactive learning system, will be fielded. This system will allow individuals and small groups to learn in an interactive mode and to use courseware tailored to a specific task. A Squad Engagement Trainer (SET) is being developed and is specially designed for use in the local armories to train marksmanship skills, practice troop deployment, tactics, and exercise battlefield leader skills necessary for success in a hostile environment.

REGIONAL TRAINING SITES

Studies conducted by the Logistics Management Institute and the Industrial College of the Armed Forces coupled with the Department of the Army Management Action Plan recognized training shortfalls in Reserve Component maintenance units and recommended establishment of Regional Training Sites-Maintenance (RTS-MAINT). The RTS-MAINT provides maintenance personnel training on equipment they will maintain during wartime. The ARNG is working with the Department of the Army and Major Commands to develop programs of instruction, procure facilities, provide manpower, and field training devices to the RTS-MAINT.

The Army National Guard is establishing thirteen (13) RTS-MAINT sites. An aggressive sustainment training program has been initiated at Fort Bragg, North Carolina; Camp Shelby, Mississippi; Fort Dix, New Jersey; and Camp Dodge, Iowa. RTS-MAINT sites at Camp Blanding, Florida; Camp Roberts, California; Camp Custer, Michigan; Camp Ripley, Minnesota; and Gowen Field, Idaho are scheduled for construction in FY 89. The remaining ARNG proponent sites are programmed for Nickell Barracks, Kansas; Fort Stewart, Georgia, in FY90, and Jefferson City, Missouri and Pearl City, Hawaii in FY 91. Efforts are presently being made to obtain major end items and components required for training at each RTS-MAINT. One M1 tank has been programmed for delivery to each operational site. The ability to train on equipment that will be maintained upon mobilization is the greatest problem hindering maintenance MOS proficiency. This urgent problem must be given top priority because the ARNG and Army Reserve have over three-quarters of the Total Army maintenance capability. This is a major weakness in readiness considering that all the new, highly-technical weapons will serve no purpose if there is no repair capability on the battlefield.

The High Technology Regional Training Center (HTRTC) at Fort Dix, New Jersey is a prototype regionalized training center for Reserve Component (RC) and Active Component (AC) personnel. The HTRTC strategy is to improve unit readiness by providing a training environment designed around the training requirements of RC personnel. The HTRTC includes a RTS-MAINT, a High Technology Training Center (HTTC), a Training Technology Field Activity (TTFA) and a Range Training Support Activity (RTSA). As new equipment is introduced into our inventory sustainment and transition training is provided at the HTRTC. The HTRTC provides continuous weapons systems, weapons systems simulators and other high technology training devices to enhance individual operator and unit training proficiency.

Camp Shelby, Mississippi became the first ARNG Regional Training Site-Medical (RTS-MED) in FY 89. This RTS-MED will provide New Equipment Training (NET) for ARNG and USAR medical units that will receive the Army's new Deployable Medical System (DEPMEDS). A second ARNG Medical Training Site at Fort Indiantown Gap, Pennsylvania is scheduled to open in FY 90. In addition these sites are also designed to provide sustainment training for medical and medical maintenance personnel, Combat Casualty Care training, Combat Life Saver training, medical Basic Noncommissioned Officer Course and Advanced Noncommissioned Officer Course. The ARNG also conducts unit field medical training from our training site in Panama. This site also provides humanitarian medical support to the indigenous populations of Central America.

TRAINING RANGES

The ARNG Range Modernization Program supports new weapons systems and new training doctrine, and offers tactical training close to home. It provides for weapons proficiency, individual and crew qualifications, laser safety, and improved combat readiness. The range modernization program is built upon the development, acquisition, and upgrade of local training areas. It is designed to maximize training time while reducing material operating costs. The range modernization program received over $19 million in FY 88 and is projected to increase to approximately $69 million for FY 89 through FY 91.

These initiatives support the development of ranges and procurement of training land to provide individual soldier marksmanship, armor and mechanized infantry, and combined arms training at various locations. Without these programs, ARNG units would be required to expend valuable training time and funds traveling to and from distant training sites. Leaving ARNG units with obsolete training facilities, not conducive for training up to current Army standards, would seriously impair readiness required for mobilization.

MOBILIZATION TRAINING

Mobilization preparedness is a major objective of the ARNG. Training for and evaluating mobilization preparedness are essential for improving unit and State Area Command (STARC) mobilization and deployment capabilities. ARNG units will participate in approximately 950 mobilization exercises each year through FY 91. In support of mobilization training, ARNG units participated in numerous overseas deployment training exercises in FY 88 to include JCS sponsored REFORGER, TEAM SPIRIT, BRIGHT STAR, BRIM FROST and WINTEX/CIMEX. Additionally, our units participated in Active Army sponsored CONUS based exercises including FIREX, LOGEX,VULCAN KNIGHT, BOLD VENTURE, and GOLDEN THRUST. In each instance ARNG units demonstrated they can successfully perform required mobilization activities within required time frames. Continued participation in such exercises will enhance ARNG unit capability to mobilize and deploy.

During FY 88 all STARC headquarters participated in the JCS mobilization exercise PROUD SCOUT. This was a Command Post Exercise (CPX) designed to evaluate the mobilization plans, policies, and procedures. In conjunction with PROUD SCOUT, FY 88 saw the introduction of a major new Active Army mobilization exercise called EXERCISE GOLDEN THRUST; it will involve 29,000 ARNG soldiers annually. Conducted in the First Army area, the exercise was designed to test the full spectrum of mobilization related activities. Units actually moved through the five phases of mobilization: preparation, alert, mobilization at home station, movement to the mobilization station, and operational readiness improvement. The exercise focused on simultaneous mobilization of multiple units to determine flaws or discrepancies in existing plans, policies, procedures, and systems. Lessons learned are being applied throughout the mobilization community.

In addition to participation in JCS exercises, ARNG units participated in local mobilization exercises conducted by STARC headquarters throughout the United States. These exercises; Mobilization and Deployment Readiness Exercises (MODRE), Readiness for Mobilization Exercises (REMOBE), State Area Command Exercises (STARCEX), and Emergency Mobilization and Deployment Exercises (EMDREX), are designed to enhance ARNG unit and individual preparedness for mobilization and deployment.

Continued funding and participation in both the Active Army and ARNG exercise programs are imperative. Through sound management, we have maximized the dollars to exercise value ratio. While our exercise funding level has remained constant, the number of exercises conducted has risen consistently. Any reduction in funding would inhibit our exercise schedule and jeopardize our goal to have all units participate in a mobilization exercise once every five years.

The FY 90/91 budget request includes sufficient funds to support our exercise schedule.

C. EQUIPMENT

GROUND EQUIPMENT

The Department of the Army continues to deliver large quantities of equipment to the ARNG under the force modernization program. In FY 88, equipment valued at $2.9 Billion was delivered primarily in go-to-war items such as: the M1 Abrams Tank, M60A3 Thermal Sight Tank, Firefinder Radars, Improved TOW Vehicles (ITV), M198 Howitzers, Battery Computer Systems (BCS), Heavy Expanded Mobility Tactical Trucks (HEMTT), and High Mobility Multi-Purpose Wheeled Vehicles (HMMWV). Although this represents a sizeable increase over the $2.03 billion delivered in FY 87, equipment shortages still exist totaling $7.3 billion. With continued Total Army and Congressional support the ARNG modernization effort will continue to improve Army Guard combat power and support capability dramatically.

The first Prepositioned Overseas Material Configured to Unit Sets (POMCUS)-Uncovered Residual Equipment-Replacement (Pure-Rep) program unit has been activated in the ARNG. This test concept proposes a solution to the equipping dilemma by activating ARNG units whose major pacing items of equipment (M1 tanks and M3 Cavalry Fighting Vehicles) are replaced by PURE assets left by deploying Active Component units upon mobilization. As part of this program a M1 armor battalion in Kentucky is being activated in phases; full activation is expected by FY 91.

COMBAT VEHICLES

The ARNG armor force will be modernized by accelerating the M1 Abrams into the non-roundout units while M60A3 fielding continues at a reduced rate. Fielding M-1 Tanks continues to be a high priority. Tanks older than the M60A3 will be phased out by the mid 1990s, and all units will be fielded with M1 or M1A1 Abrams tanks by FY 99. The first non-roundout unit to receive M1 tanks will be the 163d Armored Cavalry Regiment, which will reorganize as a heavy separate brigade and receive two battalions of M1 Tanks in FY 89. The ARNG has converted the Gowen Field, Idaho Displaced Equipment Training (DET) site to handle training ARNG tank crews on the M1 Abrams tank. The second DET site, operating at Camp Shelby, Mississippi, will continue to train M60A3 tank crews.

Modernization efforts continue with ARNG roundout units receiving the Bradley Fighting Vehicle (BFV). Delivery of the Improved TOW Vehicle (ITV) will modernize the antitank capability of the ARNG. This is being accomplished through procurement of ITVs with dedicated procurement funds provided by Congress and the transfer of excess ITVs from the Army. The ARNG can now project deliveries of ITVs to attain an 80 percent fill level of this tank killing system. The deliveries of 914, M113A3 Armored Personnel Carriers, procured with separate Congressional appropriations, has begun. A portion of these improved M113s will be issued to units receiving the M1 Abrams tank. Improvement in the inventory posture for the M113 family of vehicles will allow many units that were using substitute vehicles to be properly equipped.

Modernization of the ARNG Field Artillery (FA) is progressing with the activation of the first Multiple Launch Rocket System (MLRS) unit. Although equipping the ARNG with MLRS to support Active Army Corps is a major step, the nine ARNG divisional MLRS batteries are not yet programmed for procurement. Procurement of the British Light Gun (BLG) L-119 (105mm) by Department of the Army is scheduled to begin in FY 89. The L-119 howitzer is projected for fielding to an ARNG light infantry division, a roundout brigade, and two separate infantry brigades, beginning in FY 90.

Even with the Army's help the ARNG will have shortages in several categories of FA equipment for the foreseeable future. Only 22 percent of ARNG units have the Battery Computer System (BCS). Without this capability fire missions response times are delayed; this increases the vulnerability of these units. Only five percent of current FA units are equipped with Position Azimuth Determining System (PADS). Since relocation of FA units is required frequently on the modern battlefield, ARNG artillery units will be significantly less effective due to the time required to accurately survey new positions. The shortage of M110 Eight Inch Howitzers and the M109 155mm self-propelled howitzers prevents ARNG units from meeting Army equipment serviceability standards.

TACTICAL WHEELED VEHICLES

The ARNG is still short of several categories of tactical wheeled vehicles; it has instead, several types of older vehicles that are difficult to support with repair parts. The shortage of five-ton cargo trucks is the most critical shortage. Even with the 1,440 five-ton cargo trucks procured with separate Congressionally-dedicated appropriations, the fill level was only increased from 40 to 45 percent. Currently two-and-a-half ton trucks are used in lieu of five-ton trucks, limiting the mobility of ARNG units. To further compound these shortages, the ARNG has approximately 3,000 older model, gasoline powered, five-ton and 2 1/2-ton trucks which require replacement or upgrading to multifuel engines. The ARNG has initiated a truck repowering program to modernize and extend the life cycle of all older models. Since funding is limited, only 200 engines are being repowered each year at a cost of $600,000.

The replacement of five-ton trucks with the Heavy Expanded Mobility Tactical Trucks (HEMTT) in some ARNG units is providing some remedy to the mobility problem. The displaced five-ton trucks are used to offset five-ton truck requirements generated by new force structure; therefore, the total shortfall for five ton trucks is not declining.

The ARNG faces an additional challenge in providing alternatives to a shortfall of fuel handling equipment (for 14 million gallons) to support "go to war" requirements. This shortfall equates to 2,800 five-thousand-gallon tanker trucks. Participation in training exercises and ability to deploy and fight are severely limited by the ability to haul fuel.

DEDICATED PROCUREMENT PROGRAM

Since FY 82, Congress has provided separate "add on" appropriations in the amount of $1.5 billion for ARNG procurement of essential equipment. These separately appropriated dollars have been used to improve equipment readiness of early deploying units. An Appropriations of $256 million was provided for procurement of ARNG equipment in FY 89. The equipment to be procured with this funding includes 100 Small Unit Support Vehicles (SUSV), 300 M113A3 Armored Personnel Carriers, 75 Fire Support Team Vehicles (FISTV), 58 M-1 Abrams tanks and $25 million for miscellaneous equipment. The delivery of equipment procured with dedicated appropriations has been essential in resolving shortages of selected critical equipment items.

COMMUNICATIONS-ELECTRONIC EQUIPMENT

As of FY 88, all ARNG Divisional Signal Battalions have been equipped with multichannel Army Tactical Area Communications Systems. These systems have been procured with funds made available by Congress for C-E equipment since FY 79. Upon completion of this modernization program, all ARNG divisions will attain interoperability with all other Total Force Army elements. The command and control problems solved by this modernization program and the speed with which it was accomplished constitute a great success story.

The modernization of signal units at above division echelons has also progressed very successfully. Other than item shortages, such as Communications Security (COMSEC) equipment, these ARNG units are quickly improving in terms of readiness and capability.

Mobile Subscriber Equipment (MSE) for ARNG Corps and Division Signal Battalions is on schedule as a Total Army program. ARNG units supporting III Corps begin receiving MSE in FY 89. MSE allows combat commanders to maintain effective command and control while maneuvering on the modern battlefield under conditions of high vulnerability to enemy electronic countermeasures.

The major communications shortfall which degrades "go to war" capabilities is the shortage of tactical FM radios. Since the AN/VRC-12 family of radios is no longer being manufactured and the fielding of the Single Channel Ground and Airborne Radios (SINGARS) will not begin until FY 90 (and then only on a limited basis) the shortage will become more critical.

MEDICAL EQUIPMENT

Since 1984, the ARNG has invested over $38 million in the modernization of medical and dental equipment sets. Modernization will continue in FY 89. This program has significantly increased the readiness posture of medical/dental units. This improved readiness, however, applies only to non-hospital units. In FY 90 the ARNG will begin to receive critically short hospital items such as: Dental Chair and Stool Units, Dental Equipment Sets, Dental X-Ray Units, Veterinary Sets, and X-Ray equipment.

To increase readiness within the hospital units, the ARNG is programmed to receive 25 sets of Deployable Medical Systems (DEPMEDS). Each unit will receive a Minimum Essential Equipment for Training (MEET) set at home station. A complete set for the unit is placed in POMCUS in Europe or is available from POMCUS Unit Residual Equipment (PURE) and Primary Mobilization (PRIMOB) storage in the Continental United States. Equipment at PRIMOB sites is not configured in unit sets and is considered War Reserves. Therefore, upon mobilization this equipment may be given to higher priority deploying unit perhaps leaving ARNG units without the necessary equipment. We need dedicated DEPMEDS to ensure mission capability upon mobilization.

AIR DEFENSE EQUIPMENT

From FY 89 through FY 92 air defense force structure will modernize its Air Defense Artillery (ADA) battalions as a result of conversions and activations. Duster/Stinger or pure Stinger battalions replaced four Duster battalions in FY 88. Two light ADA battalions, consisting of two Vulcan/Stinger batteries each, will be activated to support the Active Component's 6th Light Infantry Division in FY 89 and the ARNG's 29th Light Infantry Division in FY 91. The ARNG currently has two pure Duster battalions remaining which will be converted to either Chaparral or Vulcan/Stinger by FY 91. The five existing Chaparral battalions will be increased to eight in FY 89-90. Hawk battalions will also increase from one to four with the activation of three battalions, two in FY 90 (Florida and Ohio) and one battalion (South Carolina) in FY 91.

AVIATION EQUIPMENT

The ARNG is participating in the Army's Aviation Modernization Plan (AAMP). This plan includes 15 attack helicopter battalions (AH-64 Apache advanced attack helicopter) to be fielded to the ARNG. Four AH-64 battalions will be fielded by the end of FY 90 and the remaining eleven by FY 94. The modernization of CH-47A/B/C helicopters to the CH-47D has also begun with the ARNG receiving its first eight CH-47D aircraft in FY 89. By FY 94 the ARNG will have received 96 out of its required 112 CH-47D medium lift cargo helicopters.

Although the ARNG is beginning to modernize its ageing helicopter fleet, we are still faced with shortages that will impact on force readiness into the late 1990s. These shortages exist in attack, utility, scout and heavy lift units. In FY 90, the ARNG will have 33 corps or divisional units that require attack helicopters. Of these, the ARNG inventory of AH-1S Cobra helicopters is scheduled to increase with the fielding of Apaches to the Active component. As Apaches displace Cobras in the Active Army, the Cobras will be transferred to ARNG units. Cobra requirements are currently being filled by the outdated UH-1M which is not combat effective against the current Soviet attack helicopters. Approximately 150 AH-1 Cobra aircraft are required by ARNG units to replace the UH-1Ms over the next two years.

The ARNG continues to look at innovative ways to manage shortages in the ARNG utility helicopter fleet. The vast majority of the current fleet consists of over 1,100 Vietnam-era UH-1H aircraft. The AAMP addresses the problem of our ageing UH-1H fleet and over the next six years, will provide a limited number of UH-60 Blackhawks to ARNG units. Until the UH-60 is fully fielded the wartime capability of the ARNG utility units will suffer dramatically. In FY 90-91, the

ARNG will receive ten C-23, two C-12, and two C-26 aircraft as a result of Congressionally directed procurement. This will drastically improve our ageing fixed- wing fleet. The balance of fixed wing requirements are filled by the substitute U-8/T-42 aircraft. This use of substitutes, again, places the ARNG in the position of having to train with ageing aircraft since over 50% of its fixed-wing fleet is more than 20 years old.

The ARNG is currently short 4,500 Night Vision Goggles (NVG) which could prevent aviators in the ARNG from achieving the goals of 100% trained and 50% current by FY 90. Until all ARNG aviators are NVG qualified and mission trained, units will only have night operational capability with selected crews. The impact on the Total Army's ability to achieve sustained NVG operations could be impaired if the ARNG does not meet 100% qualification.

ORGANIZATIONAL CLOTHING AND EQUIPMENT

ARNG Shortages in the Organizational Clothing and Equipment (OCE) Program are being reduced. By the end of FY 91 the ARNG will have reduced the shortfall to $255.7 million from a high of $560.4 million in FY 86.

A $51.2 million program to field the Personnel Armor System Ground Troop (PASGT) helmets was successfully completed in FY 88. By FY 88 ARNG units received or had on order over $30 million in camouflage screens and support sets. Although the requirement for camouflage support sets continues to increase, the fill-rate percentage will increase to approximately 95% by FY 90.

The fielding of the Combat Vehicle Crewman's (CVC) Uniform System and the Extended Cold Weather Clothing System (ECWCS) scheduled to begin in FY 87 was slipped to FY 89 or later due to funding constraints. ECWCS and other items are issued to improve survivability by providing state-of-the-art, weather resistant, camouflage and ballistic protective clothing and equipment for ARNG units. Shortages in Chemical Defense Equipment (CDE) continue to be a problem. Shipment delays have resulted due to non-compliance with Government Acceptance Testing. The ARNG needs the 235,900 Battle Dress Overgarments which have been on backorder, some since FY 86.

MAINTENANCE

ARNG ground Operating Tempo (OPTEMPO) is budgeted at the necessary level to maintain adequate readiness. High priority units are expected to achieve C2 readiness levels. Lower priority units can maintain C3 levels. This OPTEMPO level is consistent with previous years and compares favorably with the Active Army ground OPTEMPO program. As the level of equipment and the level of effort increases, additional resources may be required.

The Air OPTEMPO is fully funded at 8.9 hours per crew, per month to ensure aviation readiness posture compares favorably with the Active Army Standards. Increased command emphasis on air and ground equipment maintenance has improved the ARNG capability to sustain the overall excellent readiness condition of equipment on hand.

Since 1986 the ARNG has operated a fully operational and provisioned "warm base" European Aviation Classification and Repair Activity Depot (AVCRAD) facility at Brussels, Belgium. This facility is manned by AGR personnel and will be used for the 1107th Missouri AVCRAD to deploy to upon mobilization. Current plans call for aviation maintenance personnel from our California, Connecticut and Missouri AVCRADS to conduct Overseas Deployment Training at this site during FY 90 to enhance peacetime readiness.

In FY89 the ARNG assumes management of a ground maintenance facility at the General Support Center, Kaserslautern, Germany. Staffing will consist of ARNG, USAR and Active Army personnel. This facility will conduct required maintenance on U.S. Army Europe (USAREUR) equipment plus serve as a "hands on" training center for ARNG maintenance units for equipment currently available in Europe. This Reserve Component Maintenance Training Facility will enhance both USAREUR peacetime equipment readiness and the training readiness of ARNG Combat Service Support maintenance units.

REPAIR PARTS

The FY 90 programmed repair parts funding allocation of $217.7 million provides a minimum level of vital combat essential repair parts that are used and stored at unit level to support mobilization readiness.

DEPOT MAINTENANCE

The FY 90 Depot Overhaul budget request of $64.5 million provides an increase of $10.5 million above the FY 89 funded level. These funds will produce major overhaul and modernization of aircraft, combat vehicles, trucks, engineer construction equipment, radio sets and electronics equipment. All essential depot maintenance programs are adequately funded and will provide increased reliability and sustainability.

D. READINESS

Readiness in the ARNG is at its highest level. In most cases, ARNG readiness closely parallels that of the Active Component, especially in the area of combat support and combat service support units. In FY 88 the ARNG expended $4.9 billion to reach a level where 81% of all ARNG units reported an overall combat ready status. In FY 89 we will increase funding 12.5% to $5.6 billion in order to maintain a creditable combat ready force. This level of readiness reflects an increase of 31% since our base year of 1985. These figures do not include units temporarily not ready because of Army-directed restructuring or reorganization. This increase in readiness resulted from intensive management efforts and procurement initiatives. The FY 90 budget of $5.6 billion reflects a no-growth posture which could impact on our ability to maintain the same readiness posture. The ARNG is looking forward to the challenge of maintaining these excellent readiness levels through the 1990s.

The primary catalysts for 90% of ARNG units reporting a deployable level of fill in equipment-on-hand as of January 1989 are the fielding of over $4.7 billion of equipment since 1985 and the ARNG's Equipment Readiness Analysis (ERA) program. The ERA program is a key element of the ARNG effort to manage and control equipment in support of readiness goals. This automated program redistributes equipment among units to improve ARNG overall readiness. Since January 1986, 480 units have been upgraded, and this upward trend is projected to continue as the ERA program is fully implemented.

The ARNG goal will be to continue the positive readiness trend experienced in FY 88 through the 1990s. Overall ARNG readiness is successfully managed by a Readiness Management Plan. Readiness issues are discussed and resolved at various levels which include: State Readiness Committees, chaired by a General officer; the ARNG Readiness Council made up of two representatives per Army Area, and the ARNG Force Readiness Committee which is chaired by the Director of the ARNG. Our readiness committee is designed as a unified effort to identify and report readiness inhibitors and strengthen ARNG readiness management polices. The ability of the ARNG to respond to the demands of improving readiness will be degraded, if equipment resourcing is not continued at a level which achieves attainment of a combat ready force.

E. OTHER

INFORMATION MANAGEMENT

Several significant events are taking place as the ARNG continues to upgrade and expand its automation efforts. At the United States Property and Fiscal Offices (USPFO) across the country, new Sperry 5000/90 minicomputers are being fielded during calendar year 1989. This equipment will replace outdated computers.

One of the most essential automation efforts that will affect the ARNG is the development of the Reserve Component Automation System (RCAS) which has been under the auspices of the Chief, National Guard Bureau since 1988. Over fifty percent of the Army's force structure is in the Reserve Components (RC). Unit level personnel must often input the same data to several different "stovepipe" systems or provide information in "hard copy". RCAS will provide the ARNG with an integrated automation system. RCAS will use state-of-the-art office automation, telecommunications, distributed processing capability to provide timely and accurate information for planning, preparation and execution of mobilization.

The ARNG has also expanded the use of electronic mail, data transfer, and software distribution to speed coordination and reporting response time. Through the use of commercial electronic mail networks, the ARNG has been able to reduce telephone and mailing costs. This service has been expanded to all States, Territories, and overseas major commands. The ARNG Information Management Plan (IMP) provides a comprehensive list of 165 major initiatives needed to fully automate the ARNG. In FY 89, the ARNG received funding to continue developing data bases and applications identified in the IMP. In FY 90, $14.1 million is budgeted to support such IMP initiatives as implementation of the Air Force Pay system for the ARNG and Fiscal Reporting systems.

FACILITIES

The FY 89 military construction budget requested $138 million for 80 projects. This budget was adjusted by Congress by adding $91 million for 33 additional projects including armory unit storage buildings, indoor rifle range modernization, additional minor construction, and planning and design efforts. The total authorized program included 50 armories; 19 equipment maintenance shops; 30 ranges, barracks, support facilities and training site improvements; seven aviation support facilities; three USPFO facilities; and Phase II of the new Army National Guard Center.

The FY 90 budget request of $125 million includes authorizations for: 27 armory projects in twenty states; 12 equipment maintenance shops; 14 training site facilities; 12 new multipurpose and record fire ranges; three United States Property and Fiscal Office (USPFO) support facilities; and upgrades for five existing aviation facilities. Additionally, $7 million was provided for armory unit storage buildings at locations yet to be identified. The FY 91 budget request provides for 27 armory projects in twenty-two states; 12 equipment maintenance shops; 10 training site facilities; seven new multipurpose and record fire ranges; 10 support and vehicle storage buildings; and upgrading four aviation facilities. Also included is $10 million for armory unit storage buildings and $12.8 million for modernizing indoor rifle ranges at locations yet to be identified.

The backlog of construction for the ARNG is $2.66 billion. This is divided into two areas: $1.76 billion for approximately 800 new armories and $900 million for modernization and upgrading over 300 existing facilities to current safety codes. Constrained resources and new requirements driven by force structuring initiatives will continue to increase this backlog. With a backlog of over two billion dollars, the life cycle of an armory will increase to over 100 years before replacement can take place. This backlog will also create increased demands for both state and Federal Operations and Maintenance funds to continue leases, operation of inefficient facilities and for the exploration of innovative alternatives for facility acquisition.

With continued constrained resources the ARNG is giving emphasis to modernizing existing facilities where economically practical, or placing new units at existing armories as alternatives to new construction. Priority for construction is given to new force structure and significant changes in the existing structure, new combat equipment, expansion of the training base to include modern ranges and troop support facilities, and renewal or replacement of critically obsolete armories. Compliance with the Environmental Protection Agency's (EPA) regulations continues to be a concern for the ARNG. Current EPA regulations require a leak detection program be conducted of all petroleum or hazardous substance underground storage tanks. To effectively implement a underground storage tank replacement, corrosion protection, spill/overflow prevention and leak detection monitoring system for the 3,587 underground storage tanks at ARNG facilities would require an investment of approximately $10 million each year for the next ten years.

SAFETY

Each year the ARNG develops and implements an all-encompassing special emphasis campaign based on past accident experience. Using films, videotapes, posters and other innovative media, specific countermeasures are developed to reduce adverse accident trends. During FY 88 the ARNG experienced a 26 percent reduction in Class A through C accidents, a 41 percent reduction in fatalities, 36 percent reduction in privately owned vehicle fatalities and a Class A accident rate of 1.00 per 100,000 hours flown. The Class A through C aviation accident rate was 3.75, the best in ARNG history. This compares quite favorably with an Armywide rate of 1.84 for Class A accidents and a 5.01 for Class A through C aviation accidents.

V. CONCLUSION

The task ahead is not an easy one. In the face of constrained budgets, the challenges facing the ARNG will be even greater than in the past. The ARNG has grown and improved considerably in the last ten years. We must now consolidate our gains to maintain the momentum that has been built over the last decade. Since the late 1970s, the ARNG has become increasingly more important in our nation's defense. A combat-ready ARNG in the 1990s becomes even more essential.

Current budget constraints prevent the ARNG from achieving the best possible readiness posture and continued cuts will impact on our ability to maintain our current high level of readiness. To continue to support the individual soldier and ARNG units I want to direct any increases in resources to sustain or increase readiness. To accomplish this, I have established the following priorities: increase full-time manning; increase Operating Tempos; increase participation in training exercises sponsored by both the JCS and Active Army; and continue to modernize the ARNG equipment inventory.

The ARNG is a combat-ready force due to the dedication of all involved. The individual soldier has been willing to train extra hours and, when required, to deploy to distant training areas to gain as much expertise as possible on the latest techniques and equipment. The leadership of the ARNG is committed to finding new and innovative ways to train, motivate, and provide the best combat ready force for the least cost.

The Army has been fully supportive of the ARNG as an equal partner and has provided the latest equipment and unparalleled training opportunities. The Congress has been willing to direct the necessary funding to crucial programs which make the ARNG a vital part of the Total Army. The partnership between the ARNG, the Army, and the Congress has worked well to fashion an ARNG fully capable of serving as an equal partner - an "Army on Call" - for this nation's defense. We - The Army National Guard - seek your continued support as we move into the 1990s.

Mr. MURTHA. General Ward.

SUMMARY STATEMENT OF GENERAL WARD

General WARD. Thank you, Mr. Chairman.

Mr. Chairman, I am very pleased to be here today representing the more than 600,000 citizen-soldiers on the Army Reserve and the more than 124,000 retirees with hip pocket orders to present the fiscal years 1990 and 1991 Reserve personnel, ARMY, and operation and maintenance, Army Reserve, appropriation requests.

I have a statement which, with your approval, I will submit for the record.

The Army Reserve is an essential element of the total Army. It is the best Army Reserve our Nation has ever had.

The Reserve personnel, Army, budget request for fiscal year 1990 is for $2.35 billion, an increase of $50 million over the amount appropriated in fiscal year 1989.

This expenditure buys substantially improved training in leadership areas and military occupational specialty qualification training, as recommended by the recently concluded Reserve Component Training Strategy Task Force.

At the end of fiscal year 1988, there were more than 287,000 paid drill strength members of the Army Reserve assigned to troop program units.

That number is expected to increase to over 292,000 by the end of fiscal year 1990, and to just under 295,000 by fiscal year 1991.

The fiscal year 1989 Active Guard/Reserve strength remained at fiscal year 1988 levels, except for the 15 position growth earmarked for the Total Army initiative in Europe.

The fiscal year 1990 and 1991 requests call for only modest increases for both AGR and Army Reserve Technicians who will be used to support aviation and combat service support unit activations and other restructuring as well as providing for recruiters for doctors and nurses.

In conclusion, as you consider our budget requests for fiscal year 1990, I would like you to bear in mind the words of the Secretary of the Army and the Chief of Staff in their fiscal year 1989 Joint posture statement for the Army:

"The assignment of appropriate missions to the Reserve component continues to be a cost-effective means of expanding the total Army readiness and mobilization capacity."

In these days of tight budgets, Reserve forces are the best bargains in DOD.

Your help is absolutely necessary if we are to continue to meet the requirements of today and the challenges of tomorrow.

That concludes my statement, Mr. Chairman.

[The statement of General Ward follows:]

STATEMENT OF MG WILLIAM F. WARD

Mr. Chairman and Members of the Committee:

I am pleased to be here today representing the more than 600 thousand citizen-soldiers of the Army Reserve and the more than 124 thousand retirees with hip pocket orders to present the Fiscal Years 1990 and 1991 Reserve Personnel, Army (RPA) and Operation and Maintenance, Army Reserve (OMAR) appropriation requests. I have a statement, which, with your approval, I'll submit for the record.

The Army Reserve is an essential element of the Total Army. It is the best Army Reserve our nation has ever had. It is more ready, better trained, and better led than ever before. It is part of the best Army I've seen in the 43 years I have worn this uniform. However, the limitations of the Fiscal Years 1990-1991 budgets threaten these achievements.

The Reserve Personnel, Army (RPA) budget request for Fiscal Year 1990 is for $2.35 billion, an increase of $50 million over the amount appropriated in Fiscal Year 1989. This expenditure buys substantially improved training in leadership areas and military occupational specialty qualification (MOSQ) training, as recommended by the recently concluded Reserve Component Training Strategy Task Force. We have directly targeted officer branch courses and noncommissioned officer professional development courses for increases.

While, from the standpoint of training initiatives, the buying power of the Fiscal Year 1990-1991 RPA request is reduced from that of Fiscal Year 1988, it will pay for increased troop program unit strength of the U. S. Army Reserve Force. At the end of Fiscal Year 1988, there were more than 287 thousand paid drill strength members of the Army Reserve assigned to troop program units. That number is expected to increase to over 292 thousand by the end of Fiscal Year 1990, and to just under 295 thousand by Fiscal Year 1991.

The Total Army's increasing reliance upon the Army Reserve argues strongly for adequate numbers of drilling Reservists assigned to troop program units. Unless adequate numbers of drilling Reservists and full-time support personnel are authorized, those new units required to fulfill newly assigned missions cannot be brought into the force structure unless other, already existing units are inactivated or have their missions and organizations changed or converted. There is a real limit to how far and how often the Reserve structure can be stretched or adjusted without a serious loss of mobilization readiness.

The Fiscal Year 1989 Active Guard/Reserve (AGR) growth remained at Fiscal Year 1988 levels, except for the 15 position growth for the Total Army initiative in Europe. The Fiscal Year 1990 and 1991 requests call for only modest increases for both AGR and Army Reserve technicians (ART's). For Fiscal Year 1990, a growth of 363 AGR positions and 100 additional technicians is requested for an AGR force of 13,707 and an ART force of 8,529. Similarly, for Fiscal Year 1990 a growth of 374 AGR's and 100 new ART's is requested for an AGR force of 14,081 and an ART force of 8,629. This modest growth will be used to support aviation and combat service support unit activations and other restructuring as well as providing for recruiters for doctors and nurses. We remain committed to providing for substantial increases in fulltime support; however, fiscal realities have required deferral of that goal.

The Total Army mission requires compressed deployment schedules, which demand increased and unprecedented levels of Reserve readiness. Full-time support is the single most essential factor in the calculus of Army Reserve readiness. Full-time support personnel allow drilling Reservists to spend their limited training time actually training. Full-time personnel train, administer, plan, and perform maintenance and logistical functions for their units. AGR personnel also provide commanders increased flexibility to perform their missions because of their availability for overtime, specialty training, and relocation to meet worldwide Army Reserve requirements. It is the presence of full-time support personnel, especially our AGR soldiers, that has allowed the Army leadership to assign increased missions confidently to its Reserve Components.

The relatively small number of AGR's and other full-time support personnel successfully enables Reserve Component units to replace more expensive Active Component units. In this sense, the investment in additional AGR's and Army Reserve technicians is particularly prudent. In terms of the Total Army's ability to expand its mobilization and readiness capacity, the return on this investment is especially significant in these days of severely constrained budgets.

The Individual Ready Reserve (IRR) is the Army's principal source of trained military personnel to serve as replacements or filler personnel for both active and reserve component units. Supporting the Total Army, it is the Nation's largest pool of deployable and pretrained manpower. Its strength has grown from 213 thousand in Fiscal Year 1981 to a Fiscal Year 1988 end strength of over 292 thousand. Training programs for this segment of the Reserve population have been among those most severely decremented.

The Fiscal Year 1990 request also includes $48.4 million for various incentive programs and $26 million for educational benefits. For Fiscal Year 1991, the request includes $50 million for incentives and $26.4 million for education benefits. These programs are a major element in maintaining our unit strength and in fulfilling mission requirements. The incentive program pays a variable bonus to persons enlisting in the Army Reserve in specific critical skills or high priority units, and it reduces critical skill shortages in both troop program units and the IRR. The education benefit program helps build a stronger, smarter Army Reserve. These programs are complementary and both are essential to attaining our strength goals.

One key program is the Specialized Training for Army Readiness (STAR) Program, which demonstrates maximum effective use of training dollars while supporting the local community and promoting service to our country. STAR uses civilian institutions rather than traditional Army schools to provide specialty training for medical soldiers. Following basic training, the soldiers in the STAR program return home and complete an associate or technical program in a drilling reserve status rather than on active duty. The initial focus of STAR is to recruit health professionals. Eventually we hope to expand it to include other critically short low density skills.

Although these programs have been maintained at minimally satisfactory levels, considering the mission, there is an offsetting decline in other training funds of $40 million, or 14 percent. Although the loss of training opportunities is always a concern, the Army Reserve's essential training requirements will continue to be met in Fiscal Year 1990. One key initiative the

Army Reserve is continuing to pursue is the deployment of Heavy Maintenance Companies (HEMCO's) in Europe. Conceptually, reserve component HEMCO's would rotate through a European equipment maintenance center every three weeks. The first Army Reserve unit is scheduled to arrive in Europe in April, 1989. If the concept proves successful, additional missions will be evaluated for possible reserve component assumption.

In a year when the end strength of the Active Army is experiencing no growth, lack of paid drill and fulltime support strength growth within the Army Reserve will add risk to the Total Army's ability to expand its total readiness and mobilization capacity. Numerous changes to the Army Reserve's force structure intended to realign it more closely with wartime requirements will have to be deferred to some uncertain date in the future or accomplished within current end strength limitations. Such "out of hide" changes raise the level of risk of personnel and structure turbulence that may degrade the Army Reserve's ability to improve its mobilization readiness. Turbulence may also result when, in response to population shifts, we are required to place new structure, and relocate existing units, to areas of our country that can demographically support our personnel requirements. Many of the Army Reserve's modernization efforts may also have to be deferred as the issue of some new equipment items must be delayed until the full-time support personnel required to maintain these items are approved at the levels contained in the Fiscal Year 1990/1991 budget submission.

In the years beyond Fiscal Year 1990, difficult choices will have to be made between retaining existing structure and activating programmed structure in the face of constrained funding. We will predicate our decisions upon an objective analysis that structures a USAR force that best meets the requirements of our war fighting commanders-in-chief.

The operation and maintenance request for the Army Reserve contains only modest increases. The Operation and Maintenance, Army Reserve (OMAR) budget request for Fiscal Year 1990 is for $867 million, an increase of $34 million from Fiscal Year 1989. The Fiscal Year 1991 request is for $908 million, an increase of $41 million from Fiscal Year 1990. These increases primarily result from pay raises and inflation; however, they also support medical recruiting initiative, additional Selected Reserve paid drill strength, 100 additional ART's each year, and increased training.

The level of Army Reserve equipment on hand is still improving. Since Fiscal Year 1981, the Army Reserve has receive approximately $1.2 billion's worth of equipment from both the Dedicated Procurement Program and normal Army procurement combined. This equipment has substantially improved Army Reserve training and mission capabilities. Progress is being made; however, we were still short $3.1 billion from our wartime required equipment levels at the end of Fiscal Year 1988, according to the annual report of the Reserve Forces Policy Board for Fiscal Year 1988.

In conclusion, as you consider our budget requests for Fiscal Year 1990, I would like you to bear in mind the words of the Secretary of the Army and the Chief of Staff in their Fiscal Year 1989 joint posture statement for the Army:

" The assignment of appropriate missions to the Reserve Component continues to be a cost effective means of expanding the Total Army readiness and mobilization capacity...."

"...The Total Army's growing reliance on the Reserve Component reflects its [increasing] competence and professionalism. The Reserve Component is no longer merely a supplement to the Active Army. Today it is an essential element, rounding out key divisions of the Total Army, with some Reserve Component units deploying before those of the Active Army."

The point here is a simple one: The Reserve Components, properly staffed, equipped, and trained can do the jobs and accomplish the missions assigned to them. By virtue of their being part-time, our citizen-soldiers enable the Total Army to accept additional missions at a fraction of the Active Army's cost.

In these days of tight budgets, reserve forces are the best bargains in DoD. The current budget submission contains enough real growth in OMAR to meet the readiness requirements of the Army Reserve. Any reductions in funding below the requested amounts would negatively affect Reserve readiness. Your help is absolutely necessary if we are to continue to meet the requirements of today and the challenges of tomorrow.

COMMAND AND CONTROL REPORTING CHAIN

Mr. **Murtha**. General, are you aware of any Army study being accomplished to evaluate the command and control reporting chain of the Army Reserve?

General **Ward**. Yes, sir. I am familiar with that.

Mr. **Murtha**. Are you directly involved in the study?

General **Ward**. That study is just getting underway. I understand there has been a selection of a study leader, who will be a retired four-star general.

We have an appointment for a week from tomorrow. The staff for that group has not been put together.

I have provided an Army Reserve major who is to work on the group, and we are prepared to add additional staff.

There will be substantial discussion with members of the Reserve component in putting together that study group.

Mr. **Murtha**. So you are adequately represented on the study group?

General **Ward**. At this time, it appears we are adequately represented.

RESERVE COMPONENTS AUTOMATION SYSTEM (RCAS)

Mr. **Murtha**. Let me talk about the RCAS program, General Temple.

The committee has been struggling for as long as I can remember—and I have been on this committee a long time—with the RCAS program.

As a matter of fact, we gave it to the Active Army and after ten years, nothing has happened.

It is said that the Reserves are in good shape. They were well trained, ready to go, high morale, but if you pushed the button, nothing happened, you still had to do it the old manual way.

Ten years ago, the Congress said, "Get a new computerized system working."

The active Army didn't get anything done so we turned it over to you.

What is the status of this program right now, General?

General **Temple**. I am pleased to report significant progress.

In January 1988, I assumed the responsibility for fielding the RCAS program.

Within the past year, we have formed from scratch an entirely new organization to achieve that objective.

We took over the responsibility for the DARMS operation and there has been an improvement in the operational capability of that function.

We set off to develop a new functional description. We have completed that and it is in the hands of the people who will be using it for review and their comment before we develop a request for proposal from private industry.

I believe that for the very first time in the history of the Reserve forces, we have been able to identify what the requirements are and needs of the Reserve forces.

We have shown parts of the project from time to time to private industry who have been very strong in their support for it.

I am confident that if we continue on the road we have, with your support, that we will be able to field a program for the first time that will meet the needs of the total Army regardless of whether it be Active Forces, Reserve, or National Guard.

Mr. MURTHA. Could you effectively mobilize the Army within the time frame required without this capability?

General TEMPLE. If this is based on previous mobilization exercises, the answer would be no.

Mr. MURTHA. So you are telling us you have got it under control and by next year this time it will be in place?

General TEMPLE. No, sir, it will not be in place by this time next year. The critical elements will be in place by the last quarter of 1992, which is the target date set from the beginning, but we will be a long way towards achieving the objective that we set out for that is to field a fully automated program.

Mr. MURTHA. Do you see any problem the way it is set up now? Is it working all right?

General TEMPLE. As long as we can get money which we do not have enough of at this time.

Mr. MURTHA. Is there money in the budget for it?

General TEMPLE. There is enough money in to operate the development of the program, but nothing to buy hardware or to run the test demonstration, which is essential.

ARMY COLLEGE FUND

Mr. MURTHA. Let me talk about the Army College Fund.

This morning this committee acted on a request by General Vuono that we allow him to reduce the enlistments from three to two years in the regular service and then go into the Reserve or National Guard for two years. I didn't particularly like it.

It is only a pilot project and I would assume the Congress will probably approve it.

It will be addressed in the supplemental.

I have a great concern about people who leave the regular forces after they learn a skill, after that they will go to college under the G.I. Bill. They are highly skilled people, but where can they be assigned in the Guard or Reserves? How do we decide which units they go to?

In many cases, when they go back to their hometown or to a college area, there is no unit close to them.

Has that been coordinated with you?

General TEMPLE. If that was General Vuono's idea, it is a good idea.

General WARD. I support the proposal.

As you know, the active component has the bulk of the Army's combat arms, while the bulk of the Army's combat service capabilities lies within the Reserve, which annually requires 40,000 combat service support soldiers to meet its requirements.

This initiative will help us meet those needs. It will integrate the flow of soldiers from the active component to the Reserves and cause those soldiers to remain in their MOS.

Mr. MURTHA. How are you going to be assured that the person who is in the Army with a particular MOS can be utilized in his

MOS in the Reserves? How are you going to work that out, General?

General **Ward**. Across the country, the bulk of the people leaving the active component are combat arms. They will return to their hometowm and have to be retrained in any event.

This program will tend to tilt that mix of transitioning soldiers toward combat service and combat service MOS's resulting in a better match with the MOS's that we have in the Reserves.

General **Burdick**. Could I comment, Mr. Chairman, because I have discussed this recently with General Ono.

We have a mismatch in MOS as an active component soldier transitions out of the active Army into the Reserve or National Guard.

There are two ways to approach this. One is to train him for that MOS, if we can identify that he is going back to Bellefonte, Pennsylvania, we could train him prior to his coming off active duty for this.

This increases our student account, it is costly and the Army has concern with that.

The other is while he occupies that MOS in the Army to give him time to go to a learning center and train for that new MOS while he is occupying a position, then administer the new SQT that is applicable to the National Guard/U.S. Army Reserve.

If he passes that, qualify him and send him home. We are looking at that right now.

Mr. **Murtha**. You believe the Army will consider where they plan to locate after active service.

General **Burdick**. We would have to work with the Army on that. If we had RCAS and all, that would help, Mr. Chairman.

Mr. **Murtha**. 1992—we hope you are still here in 1992.

General **Ward**. Mr. Chairman, I have no doubt you will. I know I won't.

RECRUITING

Mr. **Murtha**. How about recruiting? Any problems in the National Guard or Reserves with recruiting?

We had a problem in Pittsburgh with recruiting. I don't know whether the quotas were too high, but they relieved the recruiting officer and a number of others because they had fraudulent enlistments.

General **Burdick**. That problem did not reside in our Army National Guard. We take steps to see that that does not occur.

We have a full-time recruiting force and they have been admonished to adhere to proper procedures in recruiting soldiers.

As far as recruiting in our Army National Guard right now, we are about a thousand above our monthly program.

I have all expectations of meeting our year-end strength, but I have to tell you that recruiting is becoming more difficult across the Army.

Mr. **Murtha**. I think General Ono was telling us that you are running into a problem of taking more category IV's which take longer to train and you lose more of them and this is one of the reasons that they felt this program that General Vuono was talking about was so important to the regular forces as well as Reserve.

You have got a scandal in the Army in Macon, Georgia, as I understand. We have been going around looking at some of the recruiting stations.

Do you follow a recruit into the training, and then is the recruiter responsible for that recruit his whole way through training?

General BURDICK. The unit would be responsible.

Yes, we do follow a soldier on to active duty and assess him back to the unit after training.

Mr. MURTHA. It is a little bit different situation then you have in the National Guard, because the unit recruits the person, they go into the active for six months and then they come out into that unit, so they know who recruited.

General BURDICK. The situation in Macon was not an Army National Guard recruiting situation. We have our own recruiting force in the Army National Guard.

General WARD. Mr. Chairman, the Reserves are recruited by the Recruiting Command along with the active component; however, we do have two different groups of recruiters.

The typical Reserve recruiter has to return an output about three times that of the active recruiter, and, so far this year, they have been meeting their mission.

I looked at the number of people who will be attending initial active duty training this summer. It is over what it was last year at this time, and it is over our program level.

So recruiting to date this year doesn't appear to be a major problem.

If the economy remains at a high level, and if the demographics continue to work against us, we still might have a problem down the road.

Our biggest problem is the retention of soldiers in units after a period of time. About 50 percent of our soldiers come from the active component to the Reserves. Based on two students we have come to the determination that the number one element for nonretention of soldiers is the absence of promotion opportunities. Some 63 percent of the people serving in Reserve units today go to college full or part-time. It is a high-quality group. It they are unable to find an opportunity to rise above the rank of sergeant or specialist fourth class, at the end of their first enlistment, they have a propensity we have found then to go to the individual ready reserve and remain there.

We are working that issue now within the Army. Many troops arrived as part of an outflow of the Army of Excellence as units were down-sized.

Nevertheless, these people remain with us as trainable, deployable assets.

They screen every year. They train every year. We have so far counseled about 250,000 of the Individual Ready Reservists so far through the screening process, but they have a propensity to say "I don't want to have a career as a coroporal."

It is not a bad news problem. It is kind of a good news problem; but nevertheless, it is a problem.

General **Temple**. I think it is important that we go back a few years where we have sat here and talked about how to make the Reserve forces more effective.

General Burdick and his Army National Guard, I think, can take pride in the fact that their loss rate last year was 18 percent. That is a significant improvement over the past.

There are certain benefits that accrue to all Reserve force elements.

I contend that the soldiers are being trained effectively when they got out of the armory, regardless if you promoted them to master sergeant or major general, if they have to sit around an armory and can't effectively train, they are not going to come back or go in.

I think the training program that the National Guard has been able to foster has been the principal reason why people have come and stay in—because they are excited; they feel the Nation is relying upon them; they have the equipment to train with; and they get an opportunity to train in the places where they are going to have to fight.

Mr. **Murtha**. If you cut back on the amount of money for training, obviously they are going to be dissatisfied.

General **Temple**. Absolutely.

ACTIVE/RESERVE FORCE MIX

Mr. **Murtha**. About a year ago, I said to the committee I didn't see any way we were going to be able to fund the regular forces at their current size with all the budget problems I saw down the road.

Recently, I have seen several articles in the newspaper where it was recommended that there is a possibility of pulling troops out of Europe, reducing the size of the force and increasing the Guard and Reserve.

Obviously that applies to the Army more than anybody else because you have so many deployed in Europe.

What can we do, if that happens? Let's say the President is able to negotiate a legitimate conventional forces reduction package. How much can we increase the National Guard and Reserve? Is that something that can be done? Recruiting is tough now. Will we be able to match the skills? Can we increase the missions of the Guard without increasing the number of troops?

General **Temple**. Let me address it on the basis that I don't know what the proper mix should be nor have I met anyone that I have confidence in who does know.

Notwithstanding that, if the decision is made by the national leadership that there will be a reduction in the active force, I think we should all share a degree of anxiety over that.

We haven't seen enough evidence, I think, to permit us to lower our guard to the point where we are reducing forces in critical parts of the world or the ability to reinforce very rapidly, but if those decisions are made, I believe that the National Guard has an opportunity to assist the active forces in continuing to meet their national security responsibilities.

What limit to the size of the National Guard, I am not absolutely certain.

Recruiting is not easy, and in order to retain people in the force, it costs money to do that as well.

So I don't know what the finite limit to the size of the Guard is, but I think that we can be helpful to the active force in meeting their responsibilities if we are asked to do that.

It may not be prudent to do it, and I am not advocating that; I think it takes a good deal of study, and I am simply not competent enough to tell you what that mix should be.

Mr. **Murtha**. It is easy to write articles about it. My concern is we don't have the money to fund the active duty forces at their current level.

As you well know, we are talking about either cutting modernization and readiness weapons systems, or people.

General **Temple**. That is right.

Mr. **Murtha**. It would not be easy, would it, to recruit 300,000 people into the Guard?

General **Temple**. I don't think it is possible over the short run.

Mr. **Murtha**. How about in the Reserves? What could you increase at a reasonable figure per year?

General **Ward**. Let me reinforce something that General Temple said.

We have not discovered any diminution of the threat at this time. The DOD and the Executive Branch are looking at what that threat might be and how to meet it. If that review leads to a recommendation for force structure changes, the Army Reserve will do all it can to meet the new requirements.

There are significant elements of many missions which can, indeed, be placed in the Army Reserve if properly resourced.

There are some units and some kinds of functions which succeed very well in the Reserves. In fact, they sometimes do better in the Reserves than they do in the active component because of the ability of Reserve soldiers to maintain certain technical skills over a long period of time. This is particularly true of most of the combat support elements, civil affairs, some PSYOPS elements, and transportation.

Given projected demographic shifts for this country through almost the year 2000, when the cohort will again start increasing, it will be very difficult to be able to say we can enlist X number a year in the Army Reserve.

With proper resourcing, that is to say, adequate full-time unit support, who reflect continuity and doctrinal vitality, be it active component augmentees, AGRs, or mil-techs, or better yet, a judicious mix of those categories, we can probably eventually increase our structure to some reasonable level based upon the ability of the command and support structure to support it.

You can not have a full-scale deactivation overnight without a major impact on short-term readiness.

General **Burdick**. I would agree with General Ward here. Although we do have a problem in certain areas of the country, active component, U.S. Army Reserve and National Guard in certain areas, we do have states and communities where we exceed our authorized strength by 117 percent in some instances. We can take some structure and move that to this area.

You mentioned 300,000. Certainly we can't do that overnight and none of us want to see the force structure of our Army decremented, but if the President made that decision, we can take additional structure into the Army Guard and locate that in areas where we can sell it.

EQUIPMENT

Mr. **MURTHA**. Let's talk about equipment.

General Burdick, what is on your list of problem areas and do you have the O&M to support new equipment?

Give us your priority list of equipment that you need.

General **BURDICK**. You know, I have a mobilization requirement amounting to some $32.2 billion for equipment. At the present time, I have on hand about $24.9 billion worth of equipment so I have a shortfall of some $7.3 billion.

I have a critical shortfall in five-ton trucks. I have a requirement for almost 14,000 5-ton trucks.

I have on hand today about 5,000, so I have a shortage of about 8,000 5-ton trucks.

Mr. **MURTHA**. Is that your priority? Is that your number one priority?

General **BURDICK**. This is my number one priority.

Mr. **MURTHA**. All right.

General **BURDICK**. Tactical radios, the M-113 family of vehicles. Nine of my ten divisions, excepting my light division, require MLRS.

I have one battalion of MLRS, which is a corps set.

I need a battery of MLRS in each division where we have no MLRS today.

Fuel handling equipment and medical equipment; these are some of my priority items.

Mr. **MURTHA**. If you were able to get a thousand more trucks in your system in one year, would you have the O&M to support those trucks?

General **BURDICK**. Our O&M has been decreased and certainly this impacts on spare parts and repair.

If I got the trucks, I could certainly assimilate them into the system now.

Mr. **MURTHA**. Is the O&M cut going to affect your readiness substantially?

General **BURDICK**. That impacts upon our spare parts and I have a shortage of some $11 million in that now, so I certainly have a backlog of spare parts.

Mr. **MURTHA**. Have you started to cannibalize yet?

General **BURDICK**. In some cases, yes.

General **TEMPLE**. Combat readiness has been at a decreasing level for combat vehicles in the Guard.

Almost since the last annual training, we have seen that going down as a result of not only O&M, but the availability of man-days to put the stuff on the equipment.

So it is an issue we are concerned with.

General **Burdick**. I have 61 percent of the necessary spare parts now. I have an unfunded backlog this year of $145 million in spare parts.

General **Temple**. General Burdick is responsible for ensuring he has 15 days of spare parts he can deploy.

Considering the vintage of much of our equipment, it is questionable whether we can continue to resupply the types of parts that are necessary to maintain the equipment in our inventory.

General **Ward**. In terms of high-priority, unfunded procurement items, the number one priority is the shortfall of $308 million for communications and electronics equipment.

Mr. **Murtha**. $308 million of just electronic and communication equipment?

General **Ward**. That is the correct figure for those two items, not counting certain intelligence electronic systems.

Mr. **Murtha**. If you were activated, would you have equipment to communicate better with your battalions?

General **Ward**. We have severe problems in communication between these units and the units they support.

Mr. **Murtha**. Do you have any anti-jamming devices or any radios that skip the channels?

General **Ward**. At this time, we are not funded or fielded with any of the MSE equipment. That is planned to come on, but we are woefully short in communications equipment.

Mr. **Murtha**. Do you have funds for it this year?

General **Ward**. In the Army procurement area, there are some moneys, and we have used some dedicated equipment money last year, but the total remaining requirement is substantial.

The second requirement is for a lump of combat service support systems, petroleum systems and soldier support, along with aircraft amounting to about 1.2 billion.

The third area, covers tracked combat vehicles, weapons and other combat vehicles and various tactical vehicles to include the five-ton truck, amounting to a total of $2 billion.

Mr. **Murtha**. What is your truck shortage?

General **Ward**. It dips down in the near term to about 2,000 trucks, but in the outyears, it increases to about 4,000.

Mr. **Murtha**. The regular service told us that they had a five-year contract and the contractor had a number of problems with the five-ton truck. They are not going to buy any more now and they feel they can get by. How high a priority is the shortage of 5-ton trucks for Reserve and Guard?

General **Ward**. It is one of our top three priorities.

Mr. **Murtha**. So it is a high priority also? How many trucks will you be short?

General **Ward**. Around 4,000 in fiscal year 1992.

Mr. **Murtha**. How many in the National Guard?

General **Burdick**. We need, sir—we have a requirement for an additional 8,000 5-ton trucks. We have a requirement for 13,000. We have 5,000 on hand.

Mr. **Murtha**. Those 5,000 are older trucks?

General **Burdick**. Yes, sir.

General **Ward**. That is my shortfall. We have already bought a good deal with dedicated procurement.

Mr. **Murtha**. Mr. Dicks?

ROUND-OUT BATTALIONS

Mr. **Dicks**. Thank you, Mr. Chairman.

A number of active divisions include National Guard round-out brigades as part of their force.

In general, are you able to maintain parallel equipment and training levels with the active components of these divisions?

General **Burdick**. Sir, you know in light of our round-out battalions, the Army has fielded equipment to the round-out battalions oftentimes and sometimes before the Active component.

There are certain items of equipment that we still do not have, trucks and radios, so we are short various items of equipment that impact upon our readiness.

General **Temple**. Let me talk about a key issue, the ability to parallel capability.

I think it is obvious that given the relatively limited time that National Guardsmen can train, that you may find some decrement in the overall capability, but I don't believe that decrement, given the nature of the National Guard today, precludes round-out from being a very effective concept insofar as assisting the Army in maintaining organizations.

Mr. **Dicks**. We discussed this for Europe. Our round-out brigades, could they be potentially used in Europe?

General **Temple**. Are you talking about stationing them or rotating them all year long?

Mr. **Dicks**. Rotating them.

General **Temple**. For combat units in my view, that is not feasible. We have looked at the capability of the Army Guard to do that at the brigade level. I can't match up with the same kind of units that are deployed in the active force.

In fact, we have gone through this for three years, I believe, and each year I have said in my view we should not rotate major combat arms there.

General **Burdick**. If I can comment on that and perhaps answer your question.

Our round-out battalions or round-out brigades are round-out active component units.

The active component divisions oftentimes have their equipment POMCUSed into Europe.

If your question is can we mobilize and get there, we have a problem with lift now in getting our heavy divisions with all this equipment over there.

One solution is to have our round-out brigades have their equipment POMCUSed along with the active components.

General **Temple**. As I understand your question, you were looking to be able to reduce the size of an active unit that is deployed overseas and replace that loss with rotating National Guard units.

In my view, that is not feasible.

Mr. **Dicks**. But you could reinforce Europe.

General **Temple**. We plan to reinforce Europe.

Mr. **Dicks**. With round-out brigades, but those are all divisions based in the United States?

General **Temple**. That is right.

Mr. **Dicks**. So that would be a better way to proceed and you could have your equipment over there?

General **Temple**. Yes.

Mr. **Dicks**. Many writers are suggesting that maybe one way to deal with this budget crisis is to shift more responsibilities and missions to the Guard and Reserve.

I assume you wouldn't be opposed to that, assuming that there were proper resources and equipment going along with that transfer.

General **Temple**. I think we all stated very clearly that that is an issue that makes us all somewhat anxious, particularly given the uncertainty of what the world situation is with particular concern for Europe.

If the National Command Authority makes a decision to pursue that, then, of course, the National Guard stands prepared to assume additional responsibilities. But there is a finite limit.

Recruiting and retention is a continuing problem for the National Guard. Fortunately, General Burdick has been successful in meeting his manpower requirements each year, but it is becoming increasingly difficult.

We can assume additional roles and missions.

Precisely what limits, I don't know.

DRUG INTERDICTION MISSION

Mr. **Dicks**. What is it precisely that they are asking you to do on the drug question?

General **Temple**. What has occurred is that last year's Appropriations bill provided $300 million to the DOD and eradication of illegal narcotics.

It fenced $40 million for the support of the National Guard in concert with the states in developing state plans which might be devoted to working with the Federal, state and local governments.

We have had 51 plans submitted to the National Guard Bureau. We look at the plans and based on our prioritization of which should be resourced first, we transmit those through the Department of Army and Air Force for their consideration. From there, they go to the Department of Justice.

Of the first 13 plans, essentially those border states which have had a long experience in dealing with narcotics issues, those were the priority ones, to include the District of Columbia.

They went to the Department of Justice.

They have returned and were in the process of executing those plans.

The District of Columbia plan has not yet been approved. As a matter of fact, we haven't had the money transmitted to the National Guard Bureau because there is a 60-day wait between the time of approval and the time the money will arrive.

We have been forced to take fourth-quarter National Guard training funds and allocate them to the narcotics interdiction effort in order to begin the execution of the plans.

As we sit here today, there are National Guardsmen in a number of communities across the Mexican border already involved in assisting the Customs agencies in checking cargo coming in.

We have had Air National Guardsmen deployed for sometime with radar.

We will continue to put long-range patrols in places where we feel narcotics traffic is taking place, and we assist those agencies in observing them and reporting them.

We are not performing a police function. That is a role for legitimate law enforcement.

Mr. **MURTHA**. What is the command structure there?

General **TEMPLE**. Within the state, sir.

Mr. **MURTHA**. The National Guard Bureau provides the money to the state. Can the states then utilize those funds however they want to utilize them?

General **TEMPLE**. They utilize them in accordance with the plan which has come to the National Guard Bureau, then to the service Departments, then to the Department of Justice and then back approved and then they execute those plans.

Mr. **MURTHA**. Who pays for the time that they are on active duty?

General **TEMPLE**. It is paid from the National Guard Bureau to the state—it is paid by Federal check.

Mr. **MURTHA**. Does this Federal money pay the salary?

General **TEMPLE**. It does pay the salary. Principally, that is what the money is being used for.

Mr. **MURTHA**. I see.

Mr. **DICKS**. How do you feel about this responsibility, General?

General **TEMPLE**. I was asked that question early last year by Members of the Congress and I said, "Look, our principal mission is preparing for national security responsibilities, but on the other hand, the National Guard has had a long history of assisting their local communities and their states in times of crisis and emergency.

I happen to feel that the narcotics issue is a threat to national security and to our society and if the National Guard can be helpful, I know that they would find a way to do that.

We put tremendous demands upon our National Guardsmen to train to the level that they must train to in order to meet their national security responsibilities.

This is on top of that. That notwithstanding, we have never found an instance where we have needed National Guardsmen to perform a mission that we haven't been able to satisfy.

The doesn't mean that over a period of time that we are not going to face difficulties.

Many of these people are employed in other occupations. Many are in school.

We believe we are going to have to use National Guardsmen across state lines. It may be that in California and Texas and Arizona and Florida that you might find National Guardsmen from the State of Washington and the State of Pennsylvania and the State of North Carolina performing duties in other states, but we have done that before.

Mr. DICKS. So this is not detracting from their training that they do—to fulfill their principal responsibilities?

General TEMPLE. Correct.

At the present time, this is in addition to that and the money is set aside to pay them for that purpose, keeping in mind that the interdiction efforts that we have been involved in for the last ten years has been focused on the basis that we conduct our military training and then incidental to that they are able to perform this function in narcotics interdiction or eradication.

In some instances, State governments have been able to support their National Guardsmen by paying the cost of their interdiction and eradication effort, but with the last Appropriations bill, the $40 million set aside for the National Guard provides an opportunity to pay National Guardsmen who are on State active duty.

However, the Governor has a decision to make then. He has the option of putting his National Guardsmen in Title 32 of the United States Code where he has control over them which excludes them from the provision of posse comitatus, so we may use them in law enforcement providing all the Federal benefits and at the same time achieve the mission that he normally would have achieved under state active duty.

So the Appropriations bill and the subsequent decisions by the Speaker have been to the point where we believe it is a workable program and we think it will be very effective.

Mr. DICKS. How do employers handle this?

General TEMPLE. It is going to be a difficult situation for our National Guardsmen who want to take additional time away from their job.

We have been trying to mount a campaign to tell the American people of the situation that we face with the infusion of the narcotics into our society with the hopes that they will be more liberal in dealing with National Guardsmen in these roles.

Every National Guardsman is responsible for at least two weeks of training every year and we are saying we want additional time.

It is going to require that our state leadership exercise sound control and information programs to ensure that everyone knows the value of the contribution their Guardsmen are making.

NATIONAL GUARD DUTY

Mr. DICKS. This morning we discussed a case where a Federal employee was, through his Guard unit, involved in firefighting, and the Comptroller General ruled that he had to use his own leave and not military leave.

Are you aware of that case?

General TEMPLE. Yes, sir. That generated out of an article written by Mr. Causey of the Washington Post where he related that incident to perhaps the war on drugs. That was incorrect.

I am prepared to pass to you a copy of the decision of the Comptroller General of the United States along with a letter prepared by my legal counsel and a letter to Mr. Causey pointing out that his description of the situation in the article was incorrect, that when performing a law enforcement function, a Federal employee and an employee of the District of Columbia have provision to use military leave when he is performing those specific kinds of duties.

If you like, I will leave this with your staff people, sir.

[The information follows:]

Copies of the decision of the Comptroller General of the United States along with a letter to Mr. Causey pointing out errors in his description of the situation for a federal employee to use military leave follows:

The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: VA Employees - Military Duty to Assist in Fighting Forest Fires

File: B-231760

Date: February 17, 1989

DIGEST

Federal employees who were members of the California National Guard were called to perform full time emergency duty to help in the effort to fight forest fires. The request for military leave under 5 U.S.C. § 6323(b) (1982) is denied since they were not called to provide military aid "to enforce the law."

DECISION

This decision is in response to a request from the Administrator of the Veterans Administration (VA). The question asked is whether VA employees who were called to perform military duty as members of the California Army National Guard during the 1987 forest fire emergency in that state are entitled to military leave under 5 U.S.C. § 6323(b) (1982). We conclude that they are not entitled to such leave, for the following reasons.

BACKGROUND

In September 1987, VA employees in California who were members of the California Army National Guard received orders to perform temporary military duty for firefighting purposes, but not as firefighters. Their role was to provide logistical support to the various fire crews, in that they were to provide transportation, conduct feeding operations, and where required, provide life support for those crews.

At the outset, the VA employees called to duty were charged annual leave during their absence from their civilian positions. They now seek to have that absence charged to military leave under 5 U.S.C. § 6323(b) (1982). The State Judge Advocate, Office of the Adjutant General, State of California, has supported their request and expressed the opinion that the emergency duty to support the State Forest Service to fight forest fires is within the purview of 5 U.S.C. § 6323(b). The VA, in turn, has expressed uncertainty whether fighting forest fires would qualify as "military aid to enforce the law," as that term is used in 5 U.S.C. § 6323(b).

OPINION

Military leave for civilian employees of the federal government is authorized by 5 U.S.C. § 6323 (1982). Subsection 6323(b) provides in part that a federal employee who is a member of a state National Guard and who performs full time military service "for the purpose of providing military aid to enforce the law," is entitled to military leave while performing such service, but not to exceed 22 workdays a year.

In determining whether the duties performed by a federal employee while on active duty as a member of a state National Guard qualify as "military aid to enforce the law," we have primarily relied on the wording of the military orders issued and the nature of the duties being performed. In 49 Comp. Gen. 233 (1969), we considered whether National Guard duty to prevent looting and other criminal activities in cases of disasters such as floods, earthquakes and hurricanes constituted military aid to enforce the law. We concluded that it did, stating that the "maintenance of law and order is a prime function of the assigned military duties." 49 Comp. Gen. at 240.

In 50 Comp. Gen. 154 (1970), we considered the applicability of section 6323(b) in connection with the mobilization of the Reserve and the National Guard incident to a work stoppage by Postal Service employees. We concluded in that case that the National Guard's protection of the mail and assuring its unhindered distribution qualified as military aid to enforce the law. In so concluding, we pointed out that law enforcement was not limited to enforcement of the criminal law.

In the present case, while the forest fires may have been characterized as a natural "disaster" comparable to those discussed in 49 Comp. Gen. at 240, supra, there is nothing in the record which suggests that the National Guard's function in the field required the maintenance of law and order and the protection of property. The focus of their duties was to transport, feed, and provide life support to the fire crews. Therefore, it is our view that such leave used by the VA employees for such duty is to be charged to annual leave, not military leave under 5 U.S.C. § 6323(b).

Milton J. Socolar

for Comptroller General
of the United States

DEPARTMENTS OF THE ARMY AND THE AIR FORCE
NATIONAL GUARD BUREAU
WASHINGTON, D.C. 20310-2500

NGB-JA (27-1a) 5 April 1989

MEMORANDUM FOR: SEE DISTRIBUTION

SUBJECT: (All States Log Number I89-0129) Law Enforcement Leave for National Guard Drug Interdiction and Enforcement Support

1. Section 6323(b) of Title 5, United States Code provides that employees of the Federal government or of the District of Columbia are entitled to leave without loss of or reduction in pay or leave to which such employees are otherwise entitled for, *inter alia*, full-time military service for a State, D.C., Puerto Rico, or a territory for the purpose of providing military aid to enforce the law. Section 1105 of the National Defense Authorization Act for Fiscal Year 1989, P.L. 100-456, authorizes the Secretary of Defense to provide funds to States for certain expenses for drug interdiction and enforcement activities performed in a non-federal status. These funds may be provided for activities in a Title 32 status or in a pure State active duty status.

2. Inasmuch as any activities funded under the Section 1105 authority will necessarily constitute military aid to enforce the law, law enforcement leave will apply to all such duty. A recent item in Mike Causey's column "The Federal Diary" in the April 3 Washington Post referred to a Comptroller General ruling to the effect that California National Guard units called to fight forest fires did not qualify for paid military leave time. The opinion referred to (unpublished opinion B-231760, February 17, 1989, copy enclosed) in fact dealt with law enforcement leave under 5 USC 6323(b), and found that the use of federal employees in California National Guard units to fight forest fires in 1987 did not constitute enforcing the law. The column's suggestion that this ruling would apply to National Guard drug support activities is in error.

3. National Guard personnel should be informed when considering participating in drug enforcement and interdiction operations that law enforcement leave will apply to those who are Federal or D.C. employees.

FOR THE CHIEF, NATIONAL GUARD BUREAU:

James C. Hise

Enclosure

JAMES C. HISE
Chief Counsel
National Guard Bureau

Distribution:
Each AG (1)
Senior ARNG JAG Officer (1)
Senior ANG JAG Officer (1)

file #H-2 kb

Mr. Stephens/33815/4 April 1989/rs

Office of the Chief Counsel

5 APR 1989

Mr. Mike Causey
Staff Writer
The Washington Post
1150 15th Street. N.W.
Washington. D.C. 20071

Dear Mr. Causey:

I am writing in regard to an item in The Federal Diary as it appeared in The Washington Post on April 3, headed "National Guard Duty". Your item concerned a recent ruling by the Comptroller General to the effect that National Guard members who were federal employees were not entitled to military leave under Section 6323(b) of Title 5. United States Code for duty assisting in fighting forest fires in California. You suggest that "Proposals to use some National Guard units to help in fighting the war on drugs could cut into the vacation time of federal workers in those units."

I am concerned that this item may needlessly make some National Guard members reluctant to participate in the new National Guard drug enforcement and enforcement operations authorized by the 100th Congress. The Comptroller General opinion to which you referred distinguished the activities of the California Guardsmen in providing logistical support to fire fighters from activities of the National Guard in other types of disaster assistance. for instance after hurricanes or floods. in which they maintain law and order and protect property. In these latter cases, military leave has been consistently allowed.

Activities in support of law enforcement agencies in drug interdiction and enforcement would clearly qualify as military leave under Section 6323(b). This would be the case even if the support being provided to law enforcement officials were of the same type as that which was provided to the California fire fighters, that is. transporting. feeding and providing life support. since the provision of assistance to law enforcement officers is in itself "military aid to enforce the law", in the words of Section 6323(b). The difference between the two situations is that the fire fighters were not "enforcing the law". but law enforcement officials on duty are.

I would also like to point out that. because of the unique status of the D.C. National Guard and its role in protecting the federal city. Congress has authorized in Section 6323(c) of Title 5 an unlimited amount of leave for its members who are federal or D.C. government employees. whenever performing duties ordered by the Commanding General.

I would encourage you to include in a future column a correction of the impression created by the April 3 item. Members of the National Guard who are federal employees need not be concerned that their participation in efforts to curb the menace of illegal drugs will be at the expense of their pay or other leave entitlements.

Sincerely.

S/

James C. Hise
Chief Counsel
National Guard Bureau

Mr. DICKS. So you think this was just a mistake?

General TEMPLE. It was a mistake in that he applied the provision of the Comptroller General to those who were involved in the war on narcotics.

Now the issue still exists that for those who were out fighting forest fires and so forth, they are precluded——

Mr. DICKS. That seems to be kind of an injustice.

General TEMPLE. I believe so.

Mr. DICKS. Are we going to change that law?

General TEMPLE. I would hope that you would.

Mr. DICKS. That is just another general provision, I guess.

General TEMPLE. Would you like me to write some language, sir?

Mr. DICKS. Why don't you draft up some for us.

General TEMPLE. We can handle that.

Mr. DICKS. Thank you, Mr. Chairman.

[The information follows:]

The request for a draft bill to provide relief for those individuals who were precluded from receiving military leave has been initiated by the National Guard Bureau. This draft bill is currently being staffed within the Department of Defense in accordance with the Office of Management and Budget Circular A19.

Mr. MURTHA. Mr. Hefner.

Mr. HEFNER. No questions, Mr. Chairman.

Mr. MURTHA. Gentlemen, Mr. AuCoin and Mr. Sabo have questions for the record.

[CLERK'S NOTE.—Questions submitted by Mr. AuCoin and the answers thereto follow:]

COMPUTERS FOR THE ARMY RESERVES (RCAS)

QUESTION. What is the status of the Reserve Component Automation System (RCAS)? Please include information regarding the funding necessary to get the program going and significant dates for implementation.

General TEMPLE. Congress directed the Chief, National Guard Bureau assume management responsibility for RCAS effective January 1, 1988. A USAR general officer was appointed the Program Manager on January 25, 1988.

We have written a comprehensive description of the mobilization and management functions of the Reserve Components. This document, the Functional Description, was published in draft and distributed for Army comment on March 15th.

An Acquisition Strategy has been developed which has been accepted by both DA and DOD.

Transition of the Developmental Army Readiness and Mobilization System (DARMS) to RCAS control has been completed. DARMS now serves Forces Command and the Continental U.S. Armies, and elements of the Army National Guard in a direct support role.

Industry interest in RCAS has been revitalized by conducting two pre-solicitation conferences, nineteen one-on-one meetings with potential prime bidders, and two meetings of the Industry Communication Group, and by releasing, for industry comment, a Functional Requirements Information Package representing the format and content of the Functional Description.

The Army has successfully completed two management reviews chaired by the DOD Comptroller and two In-Process Reviews by the DOD Major Automated Information System Review Council (MAISRC).

In fiscal year 1991, $34.1 million of Operations and Maintenance funds are required for the Competitive Demonstration. The RCAS schedule calls for release of the final RFP in the first quarter fiscal year 1990, and to contract for Phase I of RCAS, the Competitive Demonstration, in the first quarter fiscal year 1991. Funds to support the Competitive Demonstration must be available when the RFP is released. Funds to field the remaining phases of RCAS will be addressed during the Armys next program development cycle. Program development addressing the fiscal years 1992 through 1997, begins October 1989 and extends through February/March 1990. By that time, the RCAS program will have completed Milestone I, and have baseline costs from which to build levels of funding consistent with the approved program acquisition schedule.

QUESTION. What are your plans for obtaining the necessary hardware and software for RCAS?

General TEMPLE. The RCAS will be an OMB Circular A-109 procurement with the winning vendor providing hardware and software plus telecommunications per the contract specifications.

ARMY AVIATION MODERNIZATION PLAN

QUESTION. What are the current plans for the reduction of aircraft for the Army National Guard?

General BURDICK, The Army National Guard (ARNG) has advanced four key initiatives to mitigate the impacts of the Army Aviation Modernization Plan aircraft reductions. These initiatives include a CH-54 phase-out/CH-47D backfill plan, an ARNG aeromedical force conversion plan, a plan to provide for Combat Enhancing Capability Aviation Teams (CECATs) to provide additional operator and maintenance capability to current units, and a plan to retain three Theater Defense Aviation Battalions. These initiatives provide for equitable distribution of ARNG Aviation force structure among the States and preserve ARNG investments in facilities and personnel. We are finalizing the stationing and restationing aspects of these initiatives. We will be glad to furnish a State-by-State analysis of reductions when these decisions are finalized.

QUESTION. How will you ensure that reducing the number of airframes to accommodate modernization will not affect readiness capabilities of the Army National Guard?

General BURDICK. The Army Aviation Modernization Plan provides many Army National Guard attack, air recon, and cargo helicopter units with improved capabilities with little or no reduction of airframes in the near future. These units will be much improved as modernized or upgraded aircraft replace older, outdated aircraft with limited capability to support actions on the modern battlefield. An end result will be the capability to conduct day and night operations on the battlefield with increased efficiency and lethality. However, reductions in utility helicopters for early downsizing remains a concern in the Army National Guard.

Modernization in utility systems, while increasing under the current plan, still results in a requirement to downsize units prior to fielding of modernized aircraft. Reducing the requirements of a 23-ship UH-1H assault helicopter company to 15 UH-1Hs will improve readiness reporting due to assets on-hand criteria, but will diminish its single lift capability proportionately. While awaiting UH-60 modernization, early-downsized units will be required to utilize fewer, less capable assets, 15 UH-1Hs in this case, on an increased basis to accomplish current mission requirements. Maintaining current personnel levels in these units will provide some relief and assist in addressing current unit design deficiencies which would limit aviation units in all components in the conduct of sustained combat operations. The most significant impact of the early downsizing would be on those later deploying Army National Guard Infantry Division aviation units which are required to conduct troop assaults, but have a long wait for modernization.

QUESTION. Will modernized equipment (to replace those airframes taken away from Guard units) be received by those units in a reasonable amount of time and what do you consider a reasonable amount of time?

General BURDICK. Army National Guard attack, air recon, and cargo helicopter units will receive modernized or upgraded equipment simultaneously with displacement of older, outdated aircraft system in the near term. In contrast, the utility helicopter distribution schedules reflect early downsizing of units starting in FY 94. At that time, there will be many Army National Guard assault companies required to downsize from 23 to 15 UH-1Hs without being modernized with 15 UH-60 Blackhawks. Those companies, which retain UH-1Hs until modernized with Blackhawks, will have a reduced lift capability for an interim of up to 8 years. The Army has evaluated the risk associated with early downsizing for this period of time and determined it to be acceptable in order to facilitate significant advances in future aviation force modernization.

Downsizing in consonance with modernization is the best method of fielding new aviation systems with increased capabilities. Given the current constrained budgetary environment coupled with first-to-fight distribution priorities, the current aviation fielding plan provides modernized airframes in a reasonable manner.

[CLERK'S NOTE.—End of questions submitted by Mr. AuCoin. Questions submitted by Mr. Sabo and the answers thereto follow:]

ARMORED FORCES

QUESTION. General Ward, the budget submitted by former-President Reagan called for reducing M1A1 tank production to 448 in fiscal 1990 and 261 in fiscal 1991, while closing the tank plant in Warren, MI. I know that the Army Reserve forces deploy the M-60 series tanks. If we reduce production of M1 variant tanks, and close half of the production line, how would that affect the Army Reserve? Would we be going against the Total Force concept that active and reserve forces should be equipped in similar fashion?

General **Ward**. There is no impact on the Army Reserve if current production and fielding schedules will be met through FY97 by the primary production facility at Lima, OH. However, the impact of reducing production of the Abrams tank below currently planned levels could have a significant impact on the Army Reserve. Current distribution schedules begin fielding the M1 to the Army Reserve in 1991 and continue to completion in 1997. Reducing production could delay fielding completion until after the year 2000. Current funding for M1 fielding and associated New Equipment Training (NET) would have to be adjusted accordingly. In addition, a production delay extends the amount of time during which both the M1 and M60 series vehicles incur operations and maintenance support costs instead of moving more quickly to a pure fleet of M1's for both active and reserve components. Equipping the active and reserve components in similar fashion is operationally and economically the correct course of action.

General **Burdick**. Reduced production of the Abrams tanks will adversely affect the Army National Guard (ARNG). Continued modernization of the Army National Guard armor force in unison with Active Component and Threat modernization requires approximately 500 tanks per year. The proposed production rates will force the Army National Guard to retain M60A3 Patton tanks into the 21st century. Although the M60A3 tanks will be obsolete in both lethality and survivability in the latter half of the 1990's, there are no planned improvements.

47TH INFANTRY DIVISION

Question. The 47th Infantry Division, headquartered in St. Paul, Minnesota, has the lowest priority mission of all ten National Guard divisions. Is the National Guard Bureau considering any change in mission assignment? Has the bureau recently examined this question of mission priority?

General **Burdick**. The National Guard Bureau examined the mission of the 47th Infantry Division, in coordination with the Office of Deputy Chief of Staff for Operations in November 1988, at the request of The Adjutant General, Minnesota. A mission change for this combat force is not required, however, planning priorities for the division are being examined. The 47th Infantry division is correctly prioritized in accordance with the Department of the Army Master Priority List (DAMPL).

Question. I understand that the 47th Infantry Division still has equipment problems, for example, signal gear that is incompatible with active unit equipment and insufficient numbers of voice scramblers and chemical warfare defensive equipment. Can you tell me when these deficiencies will be corrected?

General **Burdick**. As a lower priority unit in the Army National Guard, the 47th Division will not receive equipment that is critically short in the Army. The overall Equipment On Hand readiness of the 47th Division is still, however, at an acceptable level. The communications equipment in the 47th Division today is fully compatible with the large majority of the rest of the Army. One exception is automatic switching, a capability that most Army National Guard units do not have. The 47th Division does not have a full compliment of Communications Security equipment and will not be issued significant quantities in the future. The available quantities of Communications Security equipment are being issued to early deploying units. The chemical alarm is the most significant item of equipment in the chemical warfare defensive arena that is in short supply in many units. The current distribution plan for chemical alarms will not support the distribution plan of the 47th Division due to the low priority of the unit.

[CLERK'S NOTE.—End of questions submitted by Mr. Sabo.]

Mr. MURTHA. Gentlemen, thank you very much. We have additional questions for the record.

[CLERK'S NOTE.—Questions submitted for the record and the answers thereto follow:]

READINESS

QUESTION. Secretary Duncan, in his statement, mentioned that there is uneven implementation by the Services of the Department's policy of "First to Fight, First to Equip." General Temple, what are you doing to insure that the early deploying units of the National Guard receive the required equipment?

General TEMPLE. The equipment provided to the Army National Guard is distributed based on the "First to Fight, First to be Equipped" policy. Although one of our major goals is to make every unit in the force meet minimum standards for deployment, the equipping of high priority units receives special attention. Higher readiness objectives have been set for these units and those goals are provided to all readiness managers. The Equipment On Hand readiness of high priority units is periodically reviewed to determine if the objectives are being met. Deficiencies are identified and action to obtain the equipment from the Army supply system, from miscellaneous separate equipment appropriations, or from internal redistribution is initiated. Equipping problems of all high priority units cannot always be resolved due to the large equipment shortages in the Army National Guard, however, available assets are prioritized to improve their readiness.

QUESTION. General Ward, what about the Army Reserve?

General WARD. The Army Reserve uses the automated equipment distribution program which works very well. The Total Army Equipment Distribution Program (TAEDP) issues equipment according to the Department of Army Master Priority List (DAMPL) in conjunction with the Army Order of Precedence (AOP). The DAMPL sequences all Army units from first to fight to last to fight in priority of deployment. The AOP reflects exceptions to the DAMPL issue priority resulting from Army leadership decisions. Normally, the DAMPL, reflected in the distribution module, enables the automatic issue of equipment in priority sequence.

QUESTION. Are your efforts primarily to support the combat units or does it involve the combat support units and the combat service support units?

General WARD. Our efforts are directed toward equipping Army Reserve units based on a "First to Employ/Deploy First to Be Equipped" concept. Combat units comprise a small percentage of the Army Reserve structure in comparison with combat support and combat service support units. Regardless of structure, equipment distribution is planned and executed in accordance with the unit mobilization sequence in the Department of the Army Master Priority List (DAMPL). Exceptions may occur as a result of senior leadership decisions expressed in the Army Order of Precedence (AOP) list. However, the Army Reserve does not favor one type of unit at the expense of others.

General **Burdick**. A review of Army National Guard programs in the past would portray a priority towards the combat portion of the force, primarily due to the high density of combat units in the Guard and what was a significant combat capability shortfall. Over the past few years, however, the emphasis has been shifted to the support elements, particularly the combat service support units. Although our efforts still reflect concern for the readiness and capability of our combat forces, we realize that without the capability to transport ammunition, supplies and fuel and to maintain the surface and aviation equipment in the combat units our full capabilities will not be realized. In addition, the diverse nature of the equipment requirements of combat support and combat service support units increase the difficulty of meeting and maintaining equipment readiness standards. The miscellaneous procurement funds provided by the committee each year are a cornerstone to meeting support unit requirements for the Army National Guard.

Question. It appears the Congress and Defense Department are heading in the right direction by providing more equipment. This is highlighted because the Department is required to submit an annual report to Congress on equipment for the reserve components.

The main concern today is that while it is necessary to equip the units based on the first to fight principle, it is also paramount that these units be trained on the same principle. It often appears that the operations and training resources are not provided in a timely manner to train and support the reserve components. Are you aware of any problems in this regard? What is being done to correct any such mismatch of equipment with training and operating dollars?

General **Ward**. Several steps are being taken to ensure that training supports equipping in the U.S. Army Reserve (USAR). The policy of "first to fight, first to be equipped" often has been interpreted rather narrowly. The tendency has been to focus on the equipment itself and on combat arms units that deployed overseas early. The Office of the Assistant Secretary of Defense (Reserve Affairs) has prepared a proposed revision of the first to fight principle for the Defense Resources Board and for publication in the Defense Guidance. This revision aims to clarify and amend current policy. It proposes a more comprehensive interpretation of the first to fight principle and gives three recommendations. First, the principle must apply to the active and reserve components equally based on deployment/employment schedules. Second, supporting units, as well as combat units, that have a mission early in the call-up process need to be scrutinized for equipment shortages and equipment obsolescence. The vital role of sustainment is critical to combat success. Third, the intent of the policy of "first to fight, first to be equipped" is more than simply procuring materiel. It also must address the supporting pieces of training, military construction, and force structure. This amended guidance puts the spotlight on the need to integrate all of the elements of the first to fight policy.

Many other methods are being used to improve training on equipment. The documents that govern how USAR units train are emphasizing equipment training. These include the Mission Essential Task List (METL) and the Army Training and Evaluation Program (ARTEP). The OPTEMPO program funds soldiers to train on specific pieces of equipment. The employment of training devices and simulators allows for equipment training at a reduced cost and in a constrained physical environment.

In sum, many means to develop equipment training in the USAR are being pursued.

General **Burdick**. The Army National Guard is not aware of any major systemic problems in the operations and training resources provided to early-deploying units at this time.

The Army National Guard supports the concept of prioritizing resources on a "First to Deploy" basis. These early-deploying units should be resources to the extent that they are able to meet their highest priority mission possible, but not to the exclusion of minimal resourcing of other Army National Guard units.

Many Combat Support and Combat Service Support units, neither equipped for nor tasked with a direct combat role, have deployed schedules of higher priority than direct combat units. A policy which deprived Combat Support and Combat Service Support units of resources would result on combat units rendered less effective due to logistical constraints such as inadequate ammunition, fuel and repair parts. Brigades and divisions must have sufficient support and must be viewed as complete packages of combat and Combat Support/Combat Service Support units.

Flexibility is essential to ensure that training is accomplished for all major likely contingencies and missions. The Army National Guard scrutinizes and allocates training resources and assets in accordance with mission requirements for total Army National Guard readiness.

Question. General Ward, in order to augment the active forces for any operational mission, section 673(b) of 10 United States Code authorizes the Secretary of Defense, upon determination by the President, to order any unit or member of the Selective Reserve, without consent of the members concerned, to active duty (other than for training) for not more than 90 days. Otherwise, the Reserves have to rely on volunteers for extended duty.

As you know, the reserve components are becoming involved in more and more operational missions. General Ward, what impact does this restriction have on the Secretary's ability to mobilize the Army Reserve units in time of crisis but short of national emergency? (Example: use of Navy Reserve ships in the Persian Gulf).

General **Ward**. Our increased involvement in more operational missions can have nothing but a positive impact in the overall preparedness of the Army Reserve. In order to accomplish their assigned wartime missions, units are provided increased opportunities to interact and train with their active component and Army National Guard counterparts.

The Secretary of Defense's authority to call the Selected Reserve to active duty is not viewed as a restriction. A timely call-up of the

Selected Reserve would provide the Army additional time to prepare for future stages of mobilization and deployment.

QUESTION. General Burdick, what about the Army National Guard?

General **BURDICK**. There is no impact upon the Army National Guard. This type of call up, is treated by the Army National Guard as a type of "mobilization". Our procedures for excuting this type of callup are periodically checked. Our most recent experience in Exercise Optimal Focus 89, an exercise designed to test this type of callup, determined that our units were able to complete the necessary actions to move to mobilization stations or staging areas as required.

QUESTION. The "total force" concept requires that Reserve early deploying units to be manned and equipped at level which make them combat ready on short notice. General Ward, how ready is the Army Reserve?

General **WARD**. The status of the Army Reserve units is the best it has ever been. Over the past three years, the status of all reporting Army Reserve units has continued to improve steadily. There has been an ——— increase in the number of units resourced in personnel, equipment, and training status at a level adequate to accomplish their wartime mission. Improvements are the result of force modernization, increased equipment management, Dedicated Procurement funding, and intensive management of unready units.

QUESTION. General Burdick, how about the Army National Guard?

General **BURDICK**. 82% of the ARNG early deploying units, C−C+30, are deployable excluding C5 units which are temporarily not ready because of HQDA directed restructured actions. Due to programs such as recruiting quality personnel, receipt of modernized equipment, timely fielding of critical items to high priority units the National Guard aggressive equipment cross-leveling program, there has been a 21% overall improvement since October 1985 in ARNG early deploying units.

QUESTION. General Ward, does the Army Reserve have enough of the right skill people for the right slot; enough of the right equipment in the right place and can you get the people and equipment together in time?

General **WARD**. The personnel readiness of the Army Reserve has shown improvement even though paid drill strength dropped by 1554 to 286,494 in FY 1988 and continues to be the most significant inhibitor to the "ready" status of our units. Non-availability of trained soldiers is a function of inadequate personnel strength, personnel turbulence, and Military Occupational Specialty qualification.

A key factor in maintaining unit strength is recruiting personnel. Army Reserve units are required to recruit within a specific geographical area. Many units have been in the present location since the conclusion of the second world war. However, population shifts have occurred which now make it difficult to recruit the required number of soldiers. While U.S. Army Recruiting Command has begun to focus recruiting efforts to specific unit requirements, there is a need to begin restationing units to match shifting demographics.

Another factor in the maintenance of "ready" status is retention of qualified personnel. Personnel turnover, especially in lower enlisted grades, is caused, in part, by transfers between components and by normal job migration. Continuing shortages of equipment and inadequate training facilities further compounds the problem of retaining soldiers.

The remaining challenge to personnel readiness is Military Occupational Specialty (MOS) qualification. Matching unit requirements with recruited prior service soldiers and those individuals transferring from other units is difficult. Force modernization/force structure changes contribute to personnel unreadiness by changing or adding to military specialty requirements. While Training and Doctrine Command has made such progress in providing exportable training courses, 26 percent of the force remains untrained in their duty MOS. Of those untrained, 10% of the total USAR enlisted strength is awaiting initial entry active duty training and should be qualified within one year. Six per cent of the nonqualified soldiers are enrolled in a MOS producing course or a formal on-the-job training program. The remaining 10% are qualified in a MOS but not qualified in their current duty position. Individual training is one of the areas continuing to receive special attention. The Reserve Component Training Task Force has raised the visibility of RC training and has produced the Training Development Action Plan which will chart a course for further improvement.

Equipment readiness has shown the most dramatic improvement over the three period, October 1985 to October 1988, when the number of Army Reserve units reporting C-3 or better increased ———. These gains were due to Forces Command's cross leveling program, the Army's equipping strategy, and funding provided to the Army Reserve for Dedicated Procurement. Our equipment posture is expected to continue to show improvement although the ability to redistribute equipment has peaked. In spite of this positive growth, units still have critical equipment shortages.

The focus of all our efforts is to prepare Army Reserve units to accomplish their wartime mission. Annual training is devoted to preparing units for mobilization and conducting collective training. Mobilization exercises are conducted periodically to test our procedures of bringing units to their mobilization stations and evaluating their preparations for deployment. Overseas depolyment training provides an excellent opportunity for units to deploy to their wartime theater and to train with and support those units which depend upon the Army Reserve in the event of war. As I stated above, Army Reserve readiness is at its highest level ever. This year, however, our rate of improvement has slowed with only modest gain expected in the future. The sustainment of improved readiness levels requires your continued strong support.

Question. General Burdick, how about the Army National Guard?

General **Burdick.** 81.9 percent of ARNG members are considered MOSQ as of the end of December 1988. I believe that the respective states goals of 90 percent of MOSQ remains attainable. The ARNG equipment-on-hand posture is at its highest level having a 62% improvement since October 1985. Our aggressive mobilization exercise program (950 last year) assures that we can get our people and equipment together at the mobilization station as specified in current plans. In spite of these positive trends, there are challenges facing the ARNG that must be overcome.

The challenges we face include sustaining Military Occupational Specialty Qualification (MOSQ) in certain technical skills that require long training periods. Training in these specialties is usually difficult for Army Guard members because of the length of the courses in Army service schools, which creates conflicts with civilian jobs and family responsibilities.

In our medical units recruiting and retention of professionals continue to be a priority. Specialists, such as anesthesiologists, general surgeons, orthopedic and thoracic surgeons, and nurse anesthetics are difficult to recruit and are also difficult to retain because of occupational pressures.

Major equipment shortages within the ARNG include 5-ton trucks (wrecker or cargo), fuel tankers, semi-trailers, electrical generators, radios and radio installation kits.

In our medical units, shortages are found in medical treatment equipment sets, medical laboratory equipment, and basic hospital equipment. Fielding of deployable medical sets (DEPMEDS) to the ARNG began last year. Distribution of DEPMEDS will not resolve the non-medical equipment shortages such as trucks, generators, radios, and water trailers.

QUESTION. General Ward, what is in the fiscal year 1990 budget which will help you make the Army Reserve ready?

General WARD. The fiscal year 1990 Reserve Personnel, Army (RPA) budget request provides funding levels to increase Paid Drill Strength by 2,872 and Active Guard Reserve (AGR) by 363 respectively. These figures are over the fiscal year 1989 strength levels. The budget contains increased funding for participation in officer basic branch courses, for military occupational skill qualification training, and for NCO education system training. Also, there are improvements to medical recruiting by increasing medical incentives, and funding for increased training of health professionals. All of this coupled with the activation of aviation, medical, signal, chemical, and engineer units will increase readiness of the Army Reserve. Given the budget constraints, for Operation and Maintenance, Army Reserve (OMAR) the fiscal year 1990 level is adequate to support the current level of essential annual training and projected equipment maintenance.

QUESTION. General Burdick, how about the Army National Guard?

General BURDICK. The Reserve Component Training Strategy (RCTS) is funded in both fiscal year 1990 ($41.5 million) and fiscal year 1991 ($47.1 million). The RCTS increases Military Occupational Specialty qualification funds and generally upgrades individual skills qualification. Funds were requested to provide the Operating TEMPO necessary to keep our units at C-3 or better. Overseas deployments funds were requested as were funds to increase our participation in Joint Chiefs of staff exercises. Funds to modernize and sustain our forces are in the budget.

QUESTION. General Ward, what is still left to do in future years?

General WARD. There is much to be accomplished in future years. We must continue to promote growth of paid drill strength to support the mission. We must also continue to promote growth of Active Guard Reserve and Military Technicians to improve full-time support. Training must be increased to improve readiness and to support new initiatives such as the Reserve Component Training Strategy program. An increase in Operations and Maintenance funding is necessary to support the programs I just mentioned, and also to support Army Reserve centers and facilities, Annual Training Site support, equipment maintenance for the dedicated procurement program, and other incoming equipment.

QUESTION. General Burdick, how about the Army National Guard?

General BURDICK. We need more full time support. The construction backlog must be addressed. Our operations and maintenance funds must be increased so that previous investments can be protected. Training devices and simulators need to be purchased so that the quality and efficiency of training during inactive duty training can be increased. The Regional Training Sites must be built, equipped and manned. Training sites need to be purchased and those in use should be upgraded with modern ranges and targetry. Time is one of our most important resources and we must find ways to train more efficiently and use that time wisely.

QUESTION. General Temple, do you have anything to add on the readiness of both the Army and Air National Guard?

General TEMPLE. Both the Army and Air National Guard have made readiness a top priority with the result that National Guard readiness and combat capability have reached the highest level in history. With the support of the public and Congress, the Army and Air National Guard are continuing their efforts to modernize and train in order to always maintain the degree of readiness which is required of the citizen soldier to fulfill the mission of the Total Force on an hour evolving modern battlefield.

Our country has traditionally depended upon the citizen soldier to set aside the plow and mobilize when called in the nations's defense. That these militia members have been there to answer the call when needed has demonstrated the support of the public from which they come.

Now, as we enter the final decade of the twentieth century, we are witnessing the ever growing technological sophistication of the battlefield which has severely slashed the period of time available to mobilize our reserve forces and commit them to battle. These deep cuts in the "time budget" have been recognized by the President, Congress, Department of Defense, and the public as mandating a continuing effort to make improvements in readiness.

With the ongoing support and encouragement of our citizenry and Congress, we will continue to improve the readiness of our National Guard.

QUESTION. The General Accounting Office (GAO) issued a report on Military Capability—Readiness and Sustainability of U.S. Forces for a conventional conflict, dated August 1988. In this report, GAO stated that while the Department of Defense has achieved its objective of a properly manned, equipped and trained combat force, it has been at the expense of Army combat-support and combat service-support forces.

The report specifically states that "the Army reserve component forces in the combat-support and combat service-support areas have resource limitations that could severely affect their ability to carry out their assigned missions."

General Ward, do you agree with the assessment of the GAO?

General **Ward**. I agree with the findings in the GAO report. I would also like to point out the significant improvements which have been in the readiness of the Army Reserve, specifically, the combat-support and combat service-support (CS/CSS) forces. From Oct 85 to Oct 88, the number reporting C-3 or better increased by ——— units, an improvement of ———. In spite of this positive growth, these units continue to face critical equipment and qualified personnel shortages.

Question. General Burdick, do you agree?

General **Burdick**. Joint Chief of Staff Memorandum of Policy on Status of Resources and Training System, dated 5 August 1989 establishes policy and criteria for units to report the level and condition of unit resources (personnel, supplies, and equipment) and level of training at a selected point in time. Category status levels (C1 thru C5) indicate the degree to which a unit has achieved prescribed levels of personnel, equipment, maintenance of equipment, and training of those personnel. These levels reflect the status of the unit's resources. Training is measured against the resources and training required to undertake the wartime mission for which the unit is organized. Category levels do not project a unit's combat ability once committed to action. The Unit Status Reports do not provide all the information needed to determine true combat capability.

An additional point which requires clarification is a C4 or C5 unit may, if directed, undertake portions of its mission with resources on hand. The GAO assessment referred to ——— Combat Support and Combat Service Support unit data in October 1987, which combined the Army Reserve and Army National Guard data and lumped the C4 and C5 units together.

The current status of ——— ARNG, CS/CSS units is provided including due dates in theater. As of January 1989, these together are at 74 percent C3 or higher or 84 percent excluding C5 units which are units undergoing Headquarters, Department of the Army restructured actions. ———.

Question. General Ward, specifically, how does the low readiness level of the Army Reserve combat support and combat service support units affect the Army Reserve?

General **Ward**. The low readiness level of CS/CSS units affects the Total Force and Army Reserve equally. Our concern is providing the wartime required support and sustainment forces to the gaining CINCs. Army Reserve units provide additional forces needed to sustain prolonged contingencies or a major war. Given the resources allocated, our task is preparing the most mission capable units.

Question. Will these units be an effective force by their scheduled date?

General **Ward**. By the yardstick used to measure the status of resources, some CS/CSS units may not meet wartime personnel and equipment requirements. Currently, ——— of the Army Reserve's CS/CSS report C-3 or better. As this statistic indicates, more resources are required before CS/CSS become a truly combat effective force.

Question. What contributes to the low readiness level, i.e., number of personnel, number of unskilled personnel, shortage of equipment, equipment in poor repair, etc?

General **Ward**. As I indicated earlier, the most significant inhibitor to the readiness status of Army Reserve CS/CSS units is the availability of trained soldiers. Units reported the status of personnel at ——— C-3 or better in the Oct 88 Unit Status Report. Primary reasons for units failing to have the required number of deployable soldiers are shortages and unskilled soldiers in their duty Military Occupational Specialty. Shortages of personnel are, in part, contributed to the unit location and availability of the recruitable population. Secondly, this is compounded by the lack of prior service soldiers with the right skills for accession into the Army Reserve. Qualification of soldiers in those skills required in CS/CSS units is more difficult because of the technical nature of the Military Occupational Specialties.

The readiness status of Equipment On Hand (EOH) is ———. While much improvement is required, the change from October 1985 to October 1988 has shown a ——— increase, ——— additional units reporting C-3 or better. ——— CS/CSS units reported equipment readiness as C-3 or better in October 1988.

Question. General Ward, what are your recommendations on how to remedy these deficiencies?

General **Ward**. There are a number of initiatives underway to improve the readiness posture. Initiatives to enhance personnel readiness include U.S. Army Recruiting Command's intensive effort to recruit soldiers for high priority units, recruiting incentives focused on high priority/early deploying units, and a recruiting option for an active component and reserve component service obligation. Medical personnel readiness remains a priority effort by the Army Reserve. We have requested $22.1 million in FY 1990 and $22.5 million in FY 1991 for incentives to attract and retain health professionals as well as $15.7 million and $27.4 million to support our medical recruiting efforts. The current budget contains provisions for an additional 56 Active Guard/Reserve (AGR) authorizations in FY 1990 and 61 AGR authorizations in FY 1991 specifically to support the recruitment of doctors and nurses. Department of the Army's Training Development Action Plan will provide emphasis to improve reserve component training. In addition to our normally requested funding, $53 million for FY 1990 and $58.5 million for FY 1991 has been programmed for reducing the backlog in leader development training and Military Occupational Specialty qualification deficiencies.

I have shown the dramatic improvements made in the quantities of equipment on hand. However, the rate of improvement will slow as our ability to crosslevel has been maximized. We expect to continue the positive trend as equipment is received from funds expended through the Dedicated Procurement Program. Over the next 5 years, we will receive $600 million worth of equipment from prior year Dedicated Procurement funded contracts. Additionally, Army procurement will provide $275 million of equipment the next

2 years. There remains, however, a $2.425 billion equipment shortfall in the Army Reserve. As the quantities of equipment on hand and individual training qualification improve and adequate Operations and Maintenance, Army Reserve funds are provided, likewise, equipment readiness should improve.

A critical element to overcome readiness deficiencies is personnel for full-time support. AGR personnel are essential to perform the full-time planning, coordination, and administration required to maximize the limited training time available to the drilling reservists. An increase of 363 AGR personnel was requested in FY 1990 and an additional 374 requested for FY 1991. Even with FY 1990 requested growth, there is a shortfall of 15,308 AGR authorizations to fill required full-time positions.

One final point which I would like to make: The reserve components, properly resourced, that is, staffed, equipped, and trained, can do the jobs and accomplish the missions assigned to them. By virtue of their being part-time, our citizen-soldiers enable the Total Army to accept additional missions at a fraction of the Active Army's cost. However, just as with an active unit, there are basic levels of manning, training, and equipping that must be met if the units are to remain effective partners in the Total Force. Your help is absolutely necessary if we are to continue to meet the requirements of today and the challenges of tomorrow.

ACTIVE VERSUS RESERVE UNITS

QUESTION. Former Navy Secretary Lehman in a news article stated that the United States needs to change the balance between active and reserve forces. He indicated that each service has too much of its force structure on full-time active duty. Do you agree with his assessment?

General TEMPLE. The proper force mix has always been a debatable topic. Total force mix should be sized to the nation's military strategy, optimized for war and adequate to meet the peacetime needs at the lowest possible cost. The current force structure balance, which is based on the threat in a global environment, supports our national strategy and military objectives. In my judgement the military threat to the United States has not changed. Some would argue this point, but, that is an issue which the NSC must address to determine global strategy. At this time we have no reason to reduce defenses in critical parts of the world or reduce our ability to respond rapidly to global conflict. As the situation changes, the National Guard welcomes the opportunity to increase participation in continuing to meet the overall responsibilities for national defense.

QUESTION. General Ward, do you agree?

General WARD. This question involves the amount of risk the nation is willing to assume with respect to its defense. Given our national strategies and global commitments, more fully resourced and trained forward deployed active units reduce the overall risk to the nation as a whole. A fully resourced, trained Army Reserve is a more cost-effective way of providing for the national defense; however, there are risks associated with mobilizing and deploying units versus units that are already activated and/or forward deployed. It is these risks that must be carefully weighed by the national leadership.

Question. General Burdick, do you agree?

General **Burdick.** Based on the current global commitments of the United States Army and the current forward deployment of active Army forces it will be difficult if not impossible to transfer many current missions manned by the Active Army to the Army National Guard. However there are requirements that currently are not filled that the Army National Guard could fulfill. Also if the forward deployment of forces is reduced and the location of these forces returned to Continental United States, many of these units could be assumed by the Army National Guard. For example in the northwest United States, a new Army National Guard division could be formed using mainly existing forces. Also in the South, most states are currently overstrength and retain the potential for future growth that could accommodate a new division.

Question. General Ward, what are your views on the current Active/Reserve mix of forces?

General **Ward.** The Army needs to determine a better way of determining the force mix by component. Generally, in the current system, the active component gets early deployers, the National Guard gets mainly combat units and the USAR gets combat service and combat service support units.

During the force mixing process just described, there is little or no objective analysis of a component's ability to build and maintain units with regard to unit types. History shows that some unit types, such as civil affairs, do well in reserve components while others, such as Signals Intelligence, do not.

Question. General Burdick?

General **Burdick.** As I stated, the Active Army cannot be significantly reduced given its current forward deployed stationing. However, the Army National Guard can assume some current missions performed by Continental United States troops. Examples would be additional roundout brigades of divisions not currently rounded out, additional Corps level field artillery and attack helicopter battalions as well as meeting shortages of current combat support/combat service support units. The Army National Guard could also form additional divisions out of its current combat brigades. If Army forces are withdrawn from Europe or Korea, the Army National Guard could grow new units to accomplish these missions. By remissioning current combat ready late deploying Army National Guard divisions to assume higher priority missions, the capability of the US Army to meet global requirements can be maintained. As the operating tempo of Army National Guard units is only approximately one third of the Active Army, and the equipment could be transferred from the inactivating active units, the savings to the Army budget would be significant. There would also be a cost avoidance of constructing new Army Posts.

Question. For the record, provide for each component what additional roles the reserve components can contribute to the "Total Force" concept. Where possible, also provide what resources (dollars and personnel) would be required.

General **Ward.** At the present time I cannot advocate additional roles or missions for the Army Reserve. The budget request only permits us to sustain the current force structure. Even certain programs and projects that support existing Army Reserve missions are being held in abeyance until the limited resource outlook improves.

General **Burdick**. Any assignment of new or expanded missions to the Reserve Components should be made with particular care, considering the limitation placed on growth potential by the shrinking pool of 17 to 26 year old males which form the cohort of available manpower. Growth in the Army National Guard can best be absorbed by redistribution of existing resources and by consideration of variation in different geographical regions. The Army National Guard is particularly suited to expansion in areas that can capitalize on our greatest strengths: the unique combination of State and Federal missions, and our ability to utilize the civilian skills of our soldiers in their military roles. Properly resourced, the Army National Guard could absorb expansion in maintenance activities, particularly those programmed with sensitivity to available local civilian skills. In addition, we will continue our essential supporting role to the war on drugs if properly resourced to do so. Existing force structure growth initiatives require an additional 2,032 Military Technicians to provide essential maintenance support to the new equipment fieldings. The Army National Guard would like to see these critical positions filled before we accept additional maintenance missions, or the shortfall will only continue to grow, and we would have extreme difficulty supporting the existing missions except by spreading the support base exceptionally thin.

OVERSEAS MISSIONS

Question. General Ward, last year, Congress provided resources, dollars, and manpower, to support an Army Reserve and Army National Guard equipment maintenance center in the Federal Republic of Germany. What is the status of this center?

General **Ward**. In April 89, 79 percent of the Equipment Maintenance Center (EMC) equipment was on hand and arrangements have been made with General Support Center, Kaiserslautern (GSCK) to hand receipt the remaining equipment until the balance is delivered. The first Heavy Equipment Maintenance Company is currently in Germany and is working in the facilities of the GSCK. But beginning with the second rotation, permanent EMC facilities will be available for all HEMCO work except track repairs. Track work will be done in GSCK facilities for the duration of the program. Dedicated barracks facilities are available for the first RC HEMCO. All facilities to be used by EMC are within one mile of each other. There are no significant personnel problems. Twenty-nine of the 30 EMC personnel are currently present for duty, and the 1 remaining staff member will arrive at the end of June after completing a technical school. Lt. General Lewi will conduct a ribbon cutting ceremony at the permanent facility on 5 May. HQDA has transferred $275,000 to fund FY 1989 operating costs and stock-funded equipment. 21st Theater Army Area Command continues to work to make facilities available for those elements displaced by the EMC.

General BURDICK. The First Reserve Components Overseas Deployment Training Heavy Equipment Maintenance Company (115th, Utah Army National Guard) is scheduled to rotate through the Equipment Maintenance Center 15 April to 6 May 1989. Five additional companies are scheduled to participate in Fiscal Year 1989. Twenty-three of the thirty Equipment Maintenance Company's personnel are currently present for duty and twenty-nine will be present prior to arrival of 115th Heavy Equipment Maintenance Company. There are no significant personnel problems. By 7 April 1989, 79 percent of the Equipment Maintenance Center equipment will be on hand and arrangements have been made with General Support Center, Kaiserslautern, Germany, to borrow required equipment until the remainder of Equipment Maintenance Center equipment shipment is delivered. First Heavy Equipment Maintenance Company will work in General Support Center, Kaiserslautern, Germany facilities, but thereafter permanent Equipment Maintenance Center facilities will be available for all Heavy Equipment Maintenance Company. All facilities to be used by Equipment Maintenance Center are within one mile of each other.

QUESTION. General Ward, explain the differences between an active overseas equipment maintenance center compared to one manned by the reserve components.

General WARD. The reserve components' new Equipment Maintenance Center (EMC) being established in Kaiserslautern, FRG is the first ongoing Army mission that allows the rotation of reserve component (RC) heavy equipment maintenance companies (HEMCOs) to support an unresourced active component mission. The EMC is modeled after the National Guard's combined support maintenance shop. The concept is to utilize RC HEMCOs rotating through the EMC to work the USAREUR general support maintenance backlog. This can be done by rotating such units through the maintenance facility in three-week increments akin to the three-week annual training periods performed by most RC units deploying to Europe. Continuity will be provided by 30 full-time personnel: 9 active Army, 1 civilian, and 20 Active Guard/Reserve on 3-year tours.

QUESTION. General Burdick.

General BURDICK. There are two main differences manning Equipment Maintenance Center with Reserve Components units. First, there are no active Heavy Equipment Maintenance Companies in Federal Republic of Germany. This limits workload capability in performing General Support maintenance backlog. There are 44 Heavy Equipment Maintenance Companies and 21 Light Equipment Maintenance Companies in the Reserve Components that will be available for three week Overseas Deployment Training rotations into the Equipment Maintenance Center. This will allow a steady flow of repair and return of selected equipment end items and components to the theatre supply system prioritized and allocated by the 21st Theater Army Area Command. Second is new training opportunities for Army National Guard units. General Support maintenance units will train as units and enhance Military Occupational Speciality qualification by doing a wrench turning function for the theatre. A three week deployment will enhance mission training, Military Occupational Specialty qualification, esprit de corps, and unit cohesiveness. Units will be exposed to equipment and tools they would be repairing in their wartime mission and environment.

QUESTION. Do you believe there are additional roles outside the United States that the Army Reserve and Army National Guard can provide. If possible, provide the resources required.

General WARD. The role of the U.S. Army Reserve (USAR) in peacetime is to plan and train for Total Army missions in wartime. The Capstone program and the overseas deployment training (ODT) program represent the primary ways in which USAR units plan a role outside of the United States. Under Capstone, most USAR units have a mission assignment directed toward one of the overseas theaters, e.g., Europe, East Asia, Southwest Asia, or Latin America. In the ODT program, soldiers in USAR units deploy to their theater once every three to five years for a period of two to three weeks in order to train in the region of their Capstone assignment. Normally, the USAR units work with the active component unit with which they would be affiliated upon mobilization. Thus, the active and reserve component units train together in peace to be able to fight together in war. The role of the USAR outside the United States is integrated into the role of the Total Army. It is not separate or independent.

The USAR is capable of performing a wide range of overseas missions, and it trains to accomplish these missions on ODT. These include tasks involving engineering, medical assistance, civil-military operations, transportation, maintenance, military police, communications, and military intelligence. About 20,000 USAR soldiers are programmed for ODT in FY 1989.

To expand the role of the USAR overseas would require increased expenditures. Daily support costs for USAR soldiers performing ODT are about 20 percent higher than the costs for USAR soldiers performing annual training in the United States. Deployment costs are usually much higher for overseas travel than they are for domestic travel.

The role of the USAR in peace is training for war. The ODT program is one part of the training effort.

QUESTION. General Burdick.

General BURDICK. Yes. Additional roles are being performed by Army National Guard. Engineer units are training in Southern Command. Although, Army National Guard has an adequate number of engineer units, United States Army Europe would not afford the training opportunities that are experienced in Southern Command. Additional roles outside the United States can be performed by Army National Guard in the combat support and combat service support arenas. Examples are medical units, transportation units, maintenance units, quartermaster units, and other Combat Support/Combat Service Support units can and do support Active/Reserve Component units in exercises and other training opportunities. There is the potential to expand these current roles both within Latin and South America as well as to other areas of the world such as Africa and Asia where the United States Army presence is very limited today. Combat units participate in exercises outside the United States but would not have the ability to pickup combat roles currently performed by forward deployed forces.

ARMY RESERVE COMMAND AND CONTROL

QUESTION. General Ward, explain to the Committee why you believe the Chief of Army Reserve should function as the component commander and why a single reporting chain should be established similar to the Air Force and Navy Reserves.

General WARD. I fully concur with your Committee's suggestion that the U.S. Army Reserve command and control structure be reexamined in light of today's mission requirements. I strongly favor any initiative that promises to improve the viability and readiness of Army Reserve troop units.

I think it may be possible to restructure the U.S. Army Reserve in ways that will eliminate or at least reduce some of the hierarchical levels that lie between the Department of the Army and Army Reserve units. If that is feasible, some efficiencies and cost reduction will be realized.

As to what this new structure will look like, I will defer judgement on that until the Army study is completed and alternative strategies can be evaluated. I will, however, suggest to the study director that he look at the Air Force Reserve structure, in which the Chief exercise day to day administrative supervision over his units while training and operational control remains with the wartime commander. Perhaps something like that could be made to work in the Army Reserve.

QUESTION. General Ward, please provide for the record the benefits to the Army Reserve to be derived if the Chief of Army Reserve has more command and control over his units.

General WARD. Among the benefits to be derived are those to which I have already alluded, for example, reduction of layering, streamlining administrative operations, increased efficiency in resource management, etcetera. I think a thorough impartial reexamination of the Army Reserve command and control structure will result in many promising recommendations to improve the efficiency and effectiveness of the organization. When the fact finding is completed and careful analysis is conducted, I am confident that we will profit from the results.

QUESTION. General Ward, please provide for the record the names of the members of this study group, the guidance provided the Army Reserve, and the estimated completion date of the study.

General WARD. As of this date not all members of the group to study the Army Reserve control and command issue have been appointed officially. The study director has been named, however, and he is General William Richardson (USA-Retired). Also appointed are Lieutenant General David Grange (USA-Retired) as vice director, and Colonel Thomas Surles (USA) as executive assistant. Among the staff officers named to the study panel are Major Louis Hoffman of the Army Reserve Office of Programs and Liaison and Major Kleckley of US Forces Command. The Deputy Chief of Staff for Operations will be appointing an additional staff member in the near future.

Guidance provided the Army Reserve assures us a role in the conduct of the study. As the study progresses it will be reviewed periodically by a council of colonels and the US Army Select Committee. I will participate in the latter and Colonel W. A. Whittle, Chief of the Army Reserve Division of Force Structure, Mobilization and Force Modernization, will represent me in the former. Some thought is being given to assigning a reserve general to the study as a deputy director. If that can be done, it will be helpful.

Estimated completion date of the study is August 1989.

COMPUTERS FOR THE ARMY RESERVES (RCAS)

QUESTION. Why is automation of the Guard and Reserve forces of the total Army essential?

General TEMPLE. The Army must mobilize its Reserve Components to respond to National emergencies. The Army's Reserve Components are two thirds of the Total Department of Defense (DOD) Reserve Force. The Army Reserve Components are larger than the Active Component, comprising 58 percent of the Total Army. The Reserve Components make up 52 percent of the Combat Forces, 62 percent of the supporting forces and 70 percent of deploying forces. Clearly the Army's ability to respond to a National emergency is hinged on mobilizing the Reserve Components.

The need is for an automated information system that facilitates mobilization planning and execution while providing the Reserve Components an automation capability to accomplish day-to-day functional tasks.

We must ensure decisionmakers have the capability to manage the resources supporting readiness and mobilization processes effectively. This capability is directly related to the availability of information. It must fully support the needs of commanders by sharing required information among Army Reserve Centers and Army National Guard Armories, through appropriate major commands, to Headquarters Department of the Army (HQDA).

There is no single Army program, in either the Active or Reserve Components, that meets this need.

Most of the data systems that support commanders in the mobilization management structure are outdated. Data are periodically updated in batches rather than continuously as changes occur. Processing is geographically remote to the user rather than interactive and on-line. When using existing systems, most information is available only periodically and only for selected commanders in voluminous printed reports. Responses to special inquiries for immediate decisions frequently must be manually researched. This is time-consuming and unresponsive.

Data communications are non-existent at unit level. Capabilities at State Area Command (STARC), Major United States Army Reserve Command (MUSARC), and higher echelons are often inadequate and not DoD standard.

The existing information systems in the Reserve Components are unable to provide timely and accurate information to decisionmakers to allow either planning or mobilization to be conducted as required to meet standards in contingency plans. Existing systems have many deficiencies, all of which contribute directly to the problems of planning and unit preparation for mobilization.

Mobilization execution will require rapid and accurate transfer of data between Reserve and Active Components in the full range of command and control and management functions. The inability to perform these transfers between many of the client systems in the Active and Reserve Components overwhelms considerations of timeliness.

Some data regarding Reserve Component unit status are made available to some Active Component information systems, but the processes are outdated and generally lead to the storage and management of data that would have to be updated in a crisis before it could be of use to decisionmakers. This automation shortfall impedes mobilization of the Reserve Components and weakens our Nation's defense posture.

Question. Why should this committee continue to support RCAS?—What are the major inhibitors of fielding RCAS as directed by this Committee?

General **Temple.** The committee should support RCAS because the problems identified in the House Report 100-410 of October 1987 still exist. That is "we still do not have the capability within the Reserve Component structure for maintaining mobilization essential data or the ability to rapidly respond to mobilization requirements."

The major inhibitor is time. The committee directed we produce a realistic schedule whose critical elements could be accomplished by June 1991. The committee also directed we prepare a comprehensive and modern functional description that fully defines the needs of the Army National Guard and Army Reserve. None existed before, and this was a large task. Over 6,000 person days from over 500 soldiers has gone into the effort, which is nearing completion. We plan to conduct the first phase of RCAS, the Competitive Demonstration in fiscal year 1991, select the winning contractor, and begin deployment of the critical elements in fiscal year 1992.

Question. Congress provided legal requirements that the program be run by the Reserves—specifically you—who would choose the personnel to manage the project, control the money, form the acquisition strategy, and choose the vendor to deliver the system. Is the committee language too restrictive to permit you to achieve your objectives?

General **Temple.** No, the language is not too restrictive and we can achieve the objective.

Question. Ten years have elapsed since the Army began to work on this initiative, with no tangible results. What progress have you made during the 15 months since the Congressional legislation was enacted?

General **Temple.** We have written a comprehensive description of the mobilization and management functions of the Reserve Components. This document, the Functional Description, was published in draft and distributed for Army comment on March 15th.

An Acquisition Strategy has been developed which has been accepted by both DA and DoD.

Transition of the Developmental Army Readiness and Mobilization System (DARMS) to RCAS control has been completed.

DARMS now serves Forces Command and the Continental U.S. Armies, and elements of the Army National Guard in a direct support role.

Industry interest in RCAS has been revitalized by conducting two pre-solicitation conferences, nineteen one-on-one meetings with potential prime bidders, and two meetings of the Industry Communication Group, and by releasing, for industry comment, a Functional Requirements Information Package representing the format and content of the Functional Description.

The Army has successfully completed two management reviews chaired by the DoD Comptroller and two In-Process Reviews by the DoD Major Automated Information System Review Council (MAISRC).

QUESTION. When do you plan to have the critical elements of the RCAS system fielded?

General TEMPLE. Our Acquisition Strategy calls for fielding Critical Elements in fiscal year 1992.

QUESTION. Congress requires an A-109 acquisition approach for RCAS. Explain what this means to you. Can this work for RCAS?

General TEMPLE. It means that we need to do a very comprehensive definition of the requirements, and give industry the opportunity to provide the best solutions. It can work because it allows us to define the requirement and set the overall parameters, but gives industry the flexibility to apply their knowledge and innovation to the solution.

QUESTION. It has been suggested to us that we withdraw our legislative restrictions preventing use of Government Furnished Equipment and software in the RCAS project. What would be the impact on your program—specifically the target fielding date—if you were now told to start with a new philosophical approach?

General TEMPLE. Our acquisition plan is on a positive course. We have concentrated on proceeding with the program as directed by Congressional legislation, and have not done an assessment of changing the approach.

QUESTION. Explain how existing standard Army software systems are used by the Reserves today. Is there an existing "Total Army" ADP system today?

General TEMPLE. The status of reserve component information today is that at unit level, there is limited automation capability; virtually always driven in a top down mode. Any integration is localized, as is any telecommunications capability.

Different commands and command levels have a variety of hardware and software, generally capable of service only for the functional area it was fielded to support, or other limited capabilities created by local initiatives.

Present Standard Army Management Information Systems (STAMIS) do not routinely have an interface capability with other STAMIS'. Other programs developed at various command levels have no interface outside the command.

STAMIS' do not reach down to the lower reserve component unit levels. Automated information is entered at higher echelon centralized locations, often by full-time staffers hired solely for that purpose. Subordinate levels must supply that information on a mannual suspense report basis and may not see the end product. If they do see and note discrepancies or updates, they must amend the original report.

Information is updated per reporting cycles. Automated reports are based on the most recent information submitted. In some cases, the information is not current.

Information not served by a STAMIS is either manually compiled or automated in a non-integrated and non-standard manner as devised by various commands attempting to solve information management requirements independently.

The result is that we must spend much time inputting, often manually, to various systems which cannot share information. Consequently, mobilization planning data are generally not correct and will have to be recalculated and updated in times of crises.

Because there is no existing "Total Army" Automated Data Processing (ADP) system today, a high level of manual information compilation and research is required, by many users, to translate information into data required to support their specific needs.

Because of the lack of automated information at the Reserve Component level, the Forces Command Mobilization and Deployment System includes four days inprocessing time at the mobilization station to update unit and individual records manually. Those manual records are ultimately converted into automated files for input into the Active Component systems before the Reserve Component soldiers and their units are integrated as a full partner in the Total Force.

Without current information at Reserve Component unit level, we cannot effectively plan; and the situation worsens when trying to execute mobilization. This has been shown in our mobilization exercises.

QUESTION. We think it is the responsibility of the Army leadership to budget for RCAS, rather than Congress adding funds. Is RCAS fully funded in the Reagan budget? In the Bush budget?

General TEMPLE. RCAS is not fully funded in the Reagan budget. In FY91, $34.1 million of Operations and Maintenance funds are still required for the Competitive Demonstration.

The RCAS schedule calls for release of the final RFP 1st Quarter fiscal year 1990, and to contract for Phase I of RCAS, the Competitive Demonstration, in the 1st Quarter Fiscal Year 1991.

Funds to support the Competitive Demonstration must be available when the RFP is released, and should be available when the draft RFP is released.

The Bush budget process is on-going, and cannot be addressed at this time.

QUESTION. How many computers have been fielded with the $200 million appropriated to date for RCAS.

General TEMPLE. The fiscal year 1988 Appropriations Act and accompanying language directed significant changes to the RCAS program. The Army has complied with these changes which have resulted in major modifications to the schedule for design, development, and procurement of RCAS. No computers have been fielded to the Reserve Components with the $200 million Congress has appropriated for this system because Section 8115 of the fiscal year 1988 Appropriations Act states "none of the funds appropriated in this Act are available for procurement of mini- or micro-computers for the Army Reserve Components until the RCAS contract is awarded". The current schedule projects the RCAS contract award in fiscal year 1992. The fiscal year 1988 Appropriations Act slightly modifies the restrictions on the purchase of computers for the Reserve Components, but still prohibits the use of RCAS funds for this purpose.

Of the $90.9 million appropriated and statutorily restricted in fiscal year 1988, $14.0 million of the Operations and maintenance appropriations was spent on the Program Management (PM) Office operations. These funds provided pay and travel for the PM staff and supported contracts for services such as preparation of the Functional Description. The remaining operations and maintenance appropriations ($53 million) expired at the end of fiscal year 1988. These fund were not executable for RCAS under the current schedule and could not be used for other purposes due to statutory restrictions. The fiscal year 1988 Other Procurement, Army (OPA) funds, which are available through fiscal year 1990, have not been obligated due to statutory restrictions and the current Acquisition Schedule.

In fiscal year 1989, $109.9 million was appropriated and statutorily fenced for RCAS (Section 8084). To date, $49.3 million of operations and maintenance funds have been identified by the PM office as not executable and will expire at the end of the fiscal year. The operations and maintenance funds which will be spent will provide civilian pay and travel for the PM staff, PM office facilities, and support contracts. The possibility of utilizing the $34.1 million of Other Procurement, Army dollars in fiscal year 1991 is being explored.

Question. We precluded GFE/GFS in order to help you get a "clean" A-109 approach. In your opinion, could you implement a true A-109 approach if you were directed by its Army acquisition community to use GFE/GFS?

General Temple. The A-109 approach entails allowing industry to have maximum flexibility to allow for the best solution to the requirement.

Question. What is the status of existing Army standard programs today? How many are used by the Reserves? How many could be used by the Reserves without further modification?

General Temple. The Army has a number of standard programs in a variety of functional areas, in personnel, logistics, and finance. These programs are in various stages of life cycle management and address some of the Army Guard and Reserve requirements. The Army's effort to determine the specifics of the extent of Reserve and National Guard functions which are, or will be, supported by these Standard Army Information Systems is ongoing.

Question. Provide the name of each STAMIS that could be applicable to the Reserves and show which are usable today, which require modification, and initial and final fielding dates for each once currently planned modernization is completed and all Reserve data elements have been included.

General Temple. The Army has a number of standard programs in a variety of functional areas, in personnel, logistics, and finance. These programs are in various stages of life cycle management and address some of the Army Guard and Reserve requirements. The

Army's effort to determine the specifics of the extent of Reserve and National Guard functions which are, or will be, supported by these Standard Army Information Systems is ongoing. These STAMIS's are designed to operate at higher level commands where automation is currently located. They do not extend to the unit level where RC automation is very limited.

The Army recently developed a STAMIS Modernization (STAMOD) plan which establishes a schedule for modernizing existing systems. That plan calls for including RC requirements, as appropriate, in the modernization of selected STAMIS.

There has been no inclusive study that has been validated by the Army of the amount of STAMIS in use by the RC, nor the potential for their use by the RC. A reasonably accurate study of that subject would take considerable time and effort.

Based on a recent preliminary Army analysis, not yet validated by the Reserve Components, the Army STAMIS's applicable to the RC and its modernization start and stop dates are:

STAMIS	Start	Stop
Army Civilian Personnel Sys	June 1, 1986	June 30, 1989.
Army Food Mgmt Info Sys	September 5, 1985	March 31, 1992.
Command Automated Budget Sys	[1]	[1]
Force Accounting System	[1]	[1]
Integrated Facilities Sys and Facilities Eng Equip Maint Sys	[1]	[1]
Standard Army Ammunition Sys 1/3	[1]	[1]
Standard Army Ammunition Sys 4	[1]	[1]
Standard Army Ammunition Sys DAO	July 1, 1987	August 31, 1990.
State Acct Budget Exp Rpt	[1]	[1]
Supply Acct Mgmt Info Sys	[1]	[1]
Standard Army Maint Sys 1/2	[1]	[1]
Standard Army Retail Supply System 1, 2A/2B	April 1, 1981	December 31, 1994.
Standard Installation/Division Personnel System 3	June 1, 1984	February 15, 1991.
Standard Property Book System Redesign (TDA)	January 2, 1989	August 31, 1989.
Standard Army Civilian Payroll System Redesign	May 1, 1980	September 30, 1991.
The Army Authorization Document System Redesign	April 1, 1986	April 24, 1991.
Transportation Coord Automated Command & Control Info Sys	[1]	[1]
Unit Level Logistics System	[1]	[1]

[1] Operational system, not currently scheduled for modernization.

ARMY COLLEGE FUND

QUESTION. The Army Chief of Staff requested that the Committee remove its restriction to allow the Army College Fund to be paid to soldiers in non-combat arms fields. General Ward and General Burdick, what is your opinion on this issue?

General WARD. The Army College Fund as an incentive for a new recruit to join the active Army in a shortage specialty is an important feature that is having a positive affect on attracting quality soldiers into shortage combat MOS on initial enlistments of two years or more, and into shortage noncombat MOS provided the initial enlistment is for three years or more. If extended to noncombat arms recruits enlisting for two years, it will open up a market that has heretofore been closed to both the active Army and the Army reserve. Therefore, I support removal of the restriction.

General **Burdick**. The Army National Guard supports the proposed change to the Army College Fund program. I believe the change will enhance overall Army recruiting and will be good for both the Active Army and the Army National Guard.

Question. The proposal of the Army Chief of Staff is to test allowing the Army College Fund to be paid to all soldiers and in return they would have to serve two years active duty after training, spend two years in a troop program unit in the Selected Reserve, with the remaining years in the Individual Ready Reserve. While the Committee realizes that both the Army Reserve and Army National Guard require additional recruits to make their accession goals, we wonder how the Army College Fund would benefit the Reserve and National Guard. General Ward and General Burdick, would you care to comment?

General **Ward**. This two year Army College Fund non-combat arms option test would open the market a little more by tying the Army College Fund to a reserve commitment. By taking this incentive, the non-combat arms soldier could either extend his active duty commitment by one year or more, following the mandatory two years of initial service, or serve two satisfactory years in a Reserve troop program unit. This is a win-win situation. The soldier would win because he would have to serve only two years on active duty to receive the incentive; the active Army would win because it would have an excellent soldier who it otherwise would not have been able to attract, and might possibly keep if he reenlists. The Army Reserve would win because if the soldier elected not to reenlist on active duty he would serve in a troop program unit and still be a mobilization asset. Plus a pipeline would exist from the active Army to the Reserve increasing the flow of high quality trained and experienced soldiers into Army Reserve units.

General **Burdick**. The Army National Guard would benefit through an increase in both the number and quality of accessions. The Army College Fund targets the young person interested in college. Further, extending the program to non-combat arms will improve its incentive value for young women. Obviously, the Army National Guard would prefer that our soldiers stay for more than 2 years. I believe, however, that once they are in the Guard, we have the retention programs that will keep them.

Question. For this program to be effective, the Army Reserve and Army National Guard would need to coordinate with the Army what MOSs are in short supply and where in the country the vacancies exist. It seems to me that when the soldier finishes his two year active duty commitment, he would want to return to his home town. What happens if there is no unit located there or if it happens to be a unit which has a vacancy but requires a different specialty? How does the Army Reserve and Army National Guard propose to handle these situations? If they should occur, will extending the Army College Fund to non-combat arms still benefit the Reserve and Guard?

General **Ward**. MOS selected for inclusion in the incentive would be those MOS that require a short training time and that are in critical need for both the active Army and the Reserve force structure. To the greatest extent possible this will increase the number of matches throughout the country, and therefore provide an MOS trained and experienced soldiers for the Army Reserve while reducing training costs. In those instances where there is no match, the commander has the option of accepting soldiers who do not possess skills required by the unit. In those cases where the soldier's skill and those by the unit do not correspond, the soldier can be retrained and subsequently reclassified.

General BURDICK. The program is being designed to ensure satisfactory participation in a Selected Reserve unit. Soldiers who fail to participate satisfactorily will lose their Army College Fund benefits. Soldiers who move to an area where there is no Selected Reserve unit also will lose those benefits. Matching the specialty of the soldier to the needs of the Reserve Component unit in his or her hometown is critical. We have been working with the Army for some time on ways to increase the skill to vacancy match. Initially, the Army will recruit Army College Fund participants in the specialties the Reserve Components need most often. Later on, we will try various ways to begin retraining the soldier, where possible and needed, before he or she leaves active duty. Obviously, if the soldier is not qualified in the correct specialty when he or she enters the Army National Guard, then we must do the retraining.

QUESTION. General Ward, once a soldier finishes his or her two-year active commitment and joins a Reserve or Guard unit, what incentive is there for him or her to actually follow through on this commitment? We understand that a Selected Reservist who does not meet his drill requirements or is a bad performer, is automatically put into the Individual Ready Reserve?

General WARD. A soldier would be required to participate satisfactorily in a troop program unit to receive the Army College Fund. The incentive to participate is money. If a soldier fails to satisfactorily participate his Army College Fund benefits under this incentive would terminate. However, he would continue to receive the basic Montgomery GI Bill entitlement.

DRUG INTERDICTION

QUESTION. The Congress is very concerned about the amount of drugs currently entering this country and has provided the Department of Defense $300 million in fiscal year 1989 to help combat this problem. General Ward, what role do you play in determining when and how much each of the Army Reserve can be utilized in the drug interdiction efforts of the Defense Department.

General WARD. Army Reserve involvement is driven by requirements generated by other federal drug enforcement agencies. Based on these requirements, I, as part of the Army staff, provide recommendations on the utilization of USAR resources. Presently, Army Reserve participation has been limited to providing equipment for use in drug enforcement operations.

QUESTION. General Burdick, what is your role for the Army National Guard?

General BURDICK. In the past, the National Guard has provided two types of support to drug/law enforcement agencies: equipment loans and specific operational support, incidental to training, or in state active duty status. Aerial observation for marijuana growing locations, aerial photography, and transportation of law enforcement personnel are examples of support missions conducted. Under the 1989 Defense Authorization and Appropriations Acts, the National Guard is now able to take a much more active role in drug enforcement support to law enforcement agencies. That support can be expanded with the provision of Federal funds to the Governors, to supplement funding from state legislatures. These funds support operations in a state status above/beyond normal combat training. Support operations now being planned by many states, in coordination with supported law enforcement agencies, include cargo searches at border entry points and aerial airstrips, aerial transportation of law officers, transportation of seized property or contraband, aerial photo reconnaissance and photo analysis, radar monitoring, aerial patrol of borders and coastal waterways, and ground surveillance. Very few of these operations could have been undertaken in the past due to the requirement that all support proved to be incidental to training.

The general role of the National Guard in drug interdiction efforts as stipulated by the 100th Congress is:

To provide increased National Guard support to local, state and federal law enforcement agencies in support of the individual governor's drug interdiction and eradication operations.

To integrate National Guard support to the governor's drug surveillance operations into wartime mission training when appropriate.

To increase National Guard coordination and interoperability with local, state and federal law enforcement agencies in support of the state/territory governor's plans.

QUESTION. General Ward, do you have any reservations about involving the Army Reserve in this effort?

General WARD. Yes, I have reservations. Our present involvement, that of providing equipment, has minimal effect on the Army Reserve; however, greater support may have negative impact. Equipment loaned to law enforcement agencies is obtained from units that have the requirement to train for their wartime mission. On-loan equipment is not available to the unit. Secondly, the direct employment of Army Reserve personnel in drug interdiction missions would raise legal issues because of Posse Comitatus. Military personnel are restricted, by law, from direct participation in the search, seizure and arrest of possible drug violators.

QUESTION. General Burdick, what about your concerns?

General BURDICK. Because the Army National Guard has a dual mission, and unlike the Army Reserve, is not limited to operating solely in a Federal Status; we do not have Posse Comitatus prohibitions in Title 32 that, under law, the Army Reserve cannot abrogate. Since our soldiers do not have the extensive legal training inherent in civilian law enforcement, the Army National Guard will oppose any motion to give our soldiers police powers; however, our present mission to support local, state, and federal agencies presents a recruiting image problem that needs to be addressed at the first opportunity.

QUESTION. General Ward, do you believe the Army Reserve is utilized to its fullest? What additional roles can the Army Reserve play?

General **Ward**. The Army Reserve responds to support requirements from civilian law enforcement agencies as well as other federal agencies. As indicated in my other response, greater use of equipment to support other drug enforcement agencies may be detrimental in our ability to accomplish meaningful unit training. Reserve personnel could provide training for drug enforcement agency personnel in the operation of loaned equipment and could operate equipment in support of drug enforcement operations. However, direct employment of reserve personnel is prohibited by law.

Question. General Burdick, what about the Army National Guard?

General **Burdick**. The state/territory governors have the option and authorization to use their Army National Guard to its fullest. Any additional role the Army may play in the future would unfortunately appropriate both time and assets from soldier training and the Army Guard's traditional missions and commitments, to the detriment of the Guard's wartime role. Manpower resources of the National Guard are not unlimited. The amount of support the National Guard can provide is not merely a function of funding but also availability of personnel. Using certain priority equipment for drug enforcement support may have an adverse impact on training and readiness. Incompatibility of communications equipment, civilian versus military, while not insurmountable, is a hurdle that must be overcome. Procurement authorization should be included in the National Guards appropriation package.

MOBILIZATION EXERCISES

Question. During the second quarter of fiscal year 1989, the Army Reserve and Army National Guard will participate in the first of a series of annual mobilization readiness tests.

General Burdick, explain what the National Guard wants to accomplish by this exercise.

General **Burdick**. Exercise Optimal Focus 89, a Headquarters, Department of the Army exercise, had the following major exercise objectives:

A. Test the effectiveness of mobilization alert procedures.

B. Evaluate unit capability to accomplish required mobilization tasks in the time allocated.

C. Evaluate current mobilization requirements and procedures for applicability to the Presidential Call-up (200K) designated units.

Question. General Ward.

General **Ward**. The Army recently has developed a comprehensive mobilization exercise (MOBEX) program, which will involve considerable reserve participation and will give a good picture of U.S. Army Reserve (USAR) mobilization readiness. The Army MOBEX program has three components, the first two of which have significant applicability to the USAR.

The 200,000 limited notice exercise.

The reserve component mobilization field training exercise (FTX).

The mobilization station command post exercise (CPX).

These MOBEXs are designed to exercise and evaluate the plans, policies, and procedures of one or more of the five phases of mobilization.

Phase I—Preparatory.

Phase II—Alert and Assembly.

Phase III—Home Station Processing.

Phase IV—Movement to Mobilization Station.

Phase V—Operational Readiness Improvement.

Question. General Burdick has the exercise actually taken place? If so what are the initial results?

General **Burdick.** Exercise Optimal Focus 89 took place 4-5 March 1989. Initial results indicate that:

A. Mobilization alert and execution message distribution will require examination.

B. Participating Army National Guard (ARNG) units demonstrated that they could move to the mobilization station within the 72 hours required.

C. Interest and morale of participating ARNG units was extremely high.

D. Employer support problems developed in some ARNG units. The exercise disrupted some employer schedules, because of the exercise's limited notice design.

Question. General Ward.

General **Ward.** The 200,000 limited notice exercise series—Optimal Focus—began in fiscal year 1989. This year's exercise commenced at 7:30 p.m. local time Friday, March 3, 1989, and ran through the following Sunday, March 5, 1989. It constituted a full weekend drill for the units that participated. The key to this type of exercise is its limited notice. The exercise execution order was issued without prior notice less than a week before the start of the exercise. Optimal Focus 89 conducted phases II and III of mobilization for about 10 percent of the Army's NATO 200,000 package. The USAR slice of this amounted to 52 units comprising close to 6,000 USAR soldiers, who mobilized at their home stations across the country.

Question. General Burdick, what additional costs were incurred as a result of this exercise? Break out by subactivity of each account.

General **Burdick.** The Adjutants General of states having exercise units were authorized to use previously allocated Mobilization and Deployment Exercise funds. No additional funds were provided to the states for this exercise.

Question. General Ward.

General **Ward.** The Reserves conducted this exercise on their normal inactive duty training weekend, for which they would have been paid anyway. The only additional cost for this exercise was approximately $125 thousand of OMAR funds for planning conferences and for the travel of personnel to evaluate the units' participation.

Question. General Burdick, after the exercise has been evaluated, please provide the Committee with a copy of the results or lessons learned.

General **Burdick.** A copy of the exercise after action report will be provided when completed.

General **Ward.** Optimal Focus 89 had five major goals.

To assess unit operational readiness for alert, assembly, and home station processing.

To test the Army's 200,000 call-up doctrine.

To identify systemic problems.

To develop a remedial action plan to address deficiencies.

To exercise this part of mobilization with maximum realism.

First impressions of Optimal Focus 89 generally have been favorable. The conduct of the exercise itself was successful, and most participants were enthusiastic. All 52 USAR units were evaluated. A consolidated after action action report is being prepared. It is scheduled to be published in May 1989 and will be made available.

NATIONAL GUARD DUTY

Question. A recent news article stated that the Comptroller General ruled that federal employees in the California Guard units called to fight forest fires didn't qualify for military leave time.

The ruling stated that because they were performing service and backup jobs and were not engaged in military or peace-keeping activities, the workers would have to take their own vacation time rather than being paid military leave.

General Temple, have you heard about this ruling and what are your views regarding it?

General **Temple.** Yes, I have heard about the ruling, and I believe that it is based on an interpretation of the wording of the law, i.e., for the purpose of providing military aid to enforce the law". The members of the California National Guard who were called under emergency conditions to fight forest fires should be entitled to military leave, regardless of the duties they performed. The present provision of the law providing for military leave may be too restrictive.

Question. General Burdick, what are your views?

General **Burdick.** Title 5 USC 6323b provides that employees of the federal government or of the District of Columbia are entitled to leave without loss of or reduction in pay or leave to which such employees are otherwise entitled for full-time military service for a State, D.C., Puerto Rico, or a territory for the purpose of providing military aid to enforce the law. I agree with General Temple that the wording of the law is the root of the problem; accordingly, the Chief Counsel for the National Guard Bureau is presently in the process of developing a legislative proposal to amend that portion of 5 USC 6323b to allow for the use of up to 22 days of "law enforcement leave" in any emergency situation.

Question. What impact does this ruling have on the ability of the Guard to deploy personnel during emergencies?

General **Temple.** The ruling has no impact on the ability of the National Guard to deploy during emergencies. The National Guard is called out in response to emergencies by their respective governors, in accordance with applicable state laws, to assist civil authorities, including law enforcement agencies. However, Guardsmen who are federal employees will be more reluctant to volunteer for duty which does not qualify for military leave, and ordering them to such duty could adversely affect retention and recruitment.

Question. Would this ruling also apply to the Guard units when they are supporting drug interdiction activities?

General **Temple.** Section 1105 of the National Defense Authorization Act for Fiscal Year 1989, P.L. 100-456, authorizes the Secretary of Defense to provide funds to States for certain expenses for drug interdiction and enforcement activities performed in a non-federal status. These funds may be provided for activities performed in Title 32 status, or in a pure State Active Duty status. Inasmuch as any activities funded under Section 1105 authority will necessarily constitute military aid to enforce the law, law enforcement leave will apply to all such duty.

Question. What in your estimation needs to be done to correct the injustice of making an employee, who is providing a valuable service as a military member, from having to use up leave time?

General **Temple.** As previously discussed, the law needs to be amended to clarify the wording to ensure that military leave is available to all federal employees, who are members of the National Guard, when they are called out by their respective governor in response to any emergency, not just those directly related to "law enforcement".

[Clerk's note.—For additional information on this subject, see page 328.]

SELECTED RESERVE PERSONNEL

Question. General Ward, the Army Reserve end strength for fiscal year 1990 is 332,000 which is an increase of 1.1 percent over last year. What impact does this small growth have on the Army Reserve?

General **Ward.** Small growth in end strength is directly proportional to our ability to field programmed force structure initiatives.

Question. General Ward, is your force structure being frozen? If not, how will the Army Reserve accomplish its missions.

General **Ward.** While our force structure growth has been curtailed, it is not frozen in terms of our ability to manipulate it. The Army Reserve will accomplish its mission working within the force structure allowance by continuing to modernize and field ready units, although the timing and composition of units will differ from the program.

Question. General Ward, within the selected Reserve, the full-time support personnel have increased more than the Drilling Reservists. Why is this growth in full-time support necessary if the strength of the Drilling Reservists is growing more slowly?

General **Ward.** To put the answer to this question in proper perspective, while there is some growth in full-time support personnel, it still falls far short of the requirement. For example, in fiscal year 1990, there is a requirement for 28,745 Active Guard/Reserve soldiers in the Army Reserve and a shortfall of 15,038.

The Army Reserve's full-time support personnel are a "force multiplier" that enables drilling Reservists to take maximum advantage of the limited training time available to them. They also make it possible for the Army Reserve to sustain readiness levels essential to accomplishing its increasing missions in the Total

Army. The growth of this force is a cost-effective alternative to maintaining a large standing Army.

Current national strategy places great emphasis on the role of the reserve components as an integral part of the Army's available combat potential. The days are long past when they could be considered a follow-up force that would have time to train, receive modern equipment, and slowly deploy while the active Army fights the initial battle. Today, some Army Reserve units deploy before many active component units, and the Army Reserve will constitute a major portion of any force that may be deployed to protect our national interests in the event of future conflict.

Accordingly, Army Reserve responsiblities for individual and unit readiness have increased dramatically. Training requirements have grown in realism and length, participation in AC exercises and in overseas deployment training has been stepped up, and levels of equipment fill and recruiting requirements for maintenance have increased drastically. The need for technically trained and experienced soldiers within Army Reserve units has grown apace. At the same time, the competing demands on individual Reservists' time have not diminished. The requirements of a civilian career, family, and other community obligations all limit the time that even the most dedicated citizen-soldiers can devote to their Reserve commitment. For these reasons, the need for adequate levels of full-time support has taken on critical importance. The full-time support force is those personnel—Active Guard/Reserve soldiers, AC soldiers, Army Reserve technicians, and DA civilians—who augment Army Reserve units and perform the myriad administrative, recruiting, planning, maintenance, supply, and training functions essential to unit readiness, and who allow drilling Reservists to make the best use of the limited training time available to them.

Question. General Ward, if the budget request of 13,707 Active Guard and Reserve positons is not approved, what would be the impact on the Army Reserve?

General **Ward**. The Army Reserve is on the threshold of modernization that the Army National Guard and the active component have already achieved. In the next several years, the Army Reserve will undergo significant reorganization to bring the USAR up to Army of Excellence designs and capabilities. In order to accomplish this and maintain a positive readiness trend in combat, combat support and combat service support units, a reasonable growth in Active Guard and Reserve soldiers is needed. Without the increased Active Guard and Reserve growth, the USAR cannot execute the USAR force structure and meet total Army capabilities and maintain readiness.

Question. General Ward, what is the current shortfall in the Active Guard and Reserve positions; assuming the budget request is approved, and in what areas do these shortages exist?

General **Ward**. In fiscal year 1990, there is a requirement for 28,745 Active Guard/Reserve soldiers in the Army Reserve and a shortfall of 15,038. The requirement is based upon staffing guides and existing Active Guard/Reserve positions on Tables of Distribution and Allowances. Since the Active Guard and Reserve positions are filled based upon the Department of the Army Master Priority List, early deployers and supporting late or non-deployers are filled first. This means that the shortfall exists across the board in areas of operations and training, supply and maintenance and administration and supervision for units with lower priorities. Additionally, since all units are initially given a minimum level of full-time support, including Active Guard and Reserve, before maximum levels are achieved based upon the Department of the Army Master Priority List priority, then early deployers and their support forces may be staffed with less than optimum levels of Active Guard and Reserve soldiers to allow later deployers to operate day to day. Units operate with a minimum level.

QUESTION. The Army National Guard end strength for fiscal year 1990 is 458,000, which is an increase of less than one percent over last year. General Burdick, what impact does this small growth have on the Army National Guard?

General BURDICK. The Army National Guard has grown by more than 114,000 soldiers in the last 10 years. From fiscal year 1990 through fiscal year 1994, the Army National Guard will grow by only 750 men and women a year. We intend to use this period of nominal growth to focus on improving quality and readiness. By fiscal year 1995, we will have an Army National Guard that, while not as large as it could have been, will be even more qualified and better prepared to accomplish its missions than it is today.

QUESTION. Is your force structure being frozen? If not, how will the Army National Guard accomplish its missions?

General BURDICK. No; the force structure is not being frozen. Due to lack of end strength growth required to execute the programmed increase in the Army National Guard and to prevent perceived hollowness, the Army National Guard has agreed to bring its Force Structure Allowance in line with the programmed end strength. This will result by fiscal year 1997 in a decrease in programmed growth of 18,000 and an actual reduction of 4000 from fiscal year 1988. This actual reduction will be accomplished through previously programmed inactivations and modernization of units to the Army of Excellence design with modern labor saving equipment such as the Mobile Subscriber Equipment (MSE), Heavy Expanded Mobility Tactical Trucks (HEMTT), Position Azimuth Determining System (PADS), and others. These same savings in personnel will allow the Army National Guard to field new units such as four air defense battalions, four Military Intelligence Linguist battalions, five hospitals and numerous other combat support/combat service support units. The Army National Guard will also continue to modernize Armor units with the Abrams tanks, Mechanized Infantry units with the Bradley Fighting Vehicle, attack aviation units with the Apache helicopters and many more systems. The Army National Guard believes the implementation of the Army of Excellence designs along with additional modern equipment will place the Army National Guard in an even better posture than today to accomplish current missions and the additional missions the Army has tasked us to accomplish through fiscal year 1997.

QUESTION. Within the Selected Reserve, the full-time support personnel have increased more than the drilling reservists. Why is this growth in full-time support necessary if the strength of the drilling reservists is growing more slowly?

General **Burdick**. Acceptance of Active Component missions and the fielding of modern equipment and weapons systems necessitates more Full-Time Support (FTS) personnel.

Question. If the budget request of 26,164 AGR positions is not approved, what would be the impact on the Army National Guard?

General **Burdick**. If our Full-Time Support (FTS) strength is frozen, our ability to support force modernization action and mission requirements, specifically, HAWK missile and Aviation (Apache) would be jeopardized.

Question. What is the current shortfall in AGR positions assuming the budget request is approved, and in what areas do these shortages exist?

General **Burdick**. The current shortfall of AGR authorizations is 15,382. This shortfall affects all units in the ARNG.

FULL-TIME SUPPORT (FTS) PROGRAMS

Question. One of the advantages of the Full-Time Support Program (FTS) is that it provides an increased level of military skills in units. What percentage of FTS personnel are not qualified (e.g., Military Occupational Specialties (MOS) qualified) for their duty positions? Please explain the reasons why these persons are not qualified, General Ward.

General **Ward**. All Army Reserve Active Guard/Reserve (AGR) soldiers are MOS-qualified. 731 of 13,198 USAR-AGRs (5.5%) are not duty MOS-qualified. The reasons for lack of duty-MOS qualification include regulatory policy that allows on-the-job training for sergeant (E5) and lower grades; force structure activations and conversions resulting in FTS model changes and MOS mismatches; and compassionate and hardship assignments in a limited number of cases where alignment of primary skill to duty position is not possible. Overall, the AGR force is highly qualified and continues to provide expert support to reserve unit readiness.

Question. General Burdick.

Mr. **Burdick**. Approximately 13 percent of the ArNG Full-Time Support force is not MOS qualified. The non-qualified soldiers are scheduled for training, or awaiting training quotas.

Question. What policies/practices do you follow in allocating these personnel to selected Reserve units?

General **Ward**. The Army initially distributes a base level of full-time support to all units to allow them to "keep the doors open" and operate on a day to day basis. The basis for distribution of resources is the Department of the Army Master Priority List which means that early deployers would receive full-time support staffing before late deployers. However, there are also early mobilizing, late deploying or non-deploying units which play a critical support role for early deployers and, thus, receive priority for full-time staffing accordingly.

Question. General Burdick.

General **Burdick**. Allocation of AGR authorizations to units is completed in accordance with the DAMPL (DA Master Priority List). If resources are available, new units are resourced at 50% fill of AGR requirements six months prior to the organizational effective date. National Guard Bureau's policy is to maintain the following percent of Full-Time Support (FTS) IAW their priority for deployment.

	Percent
Early Deploying Units (FAD II [1])	80
Later Deploying Units (FAD III)	70
Last Deploying Units (FAD IV & V)	60
II—Units ready within 24 hours and M-Day Shortfall	6
III—C to C+30 and M+10 Force	26
IV—C+30 to C+90	65
V—C+91 and nondeploying units	3

[1] FAD—Force Activity Designator/Percent of ARNG Units.

QUESTION. Do early deploying units have more full-time support personnel assigned than later deploying units? General Ward.

General WARD. The Army initially distributed a base level of full-time support to all units to allow them to "keep the doors open" and operate on a day to day basis. Given the base level of full-time support, the Army's policy is to distribute resources according to the Department of the Army Master Priority List, which means that early deployers would achieve their maximum authorized levels of full-time support before later deploying units.

QUESTION. General Burdick.

General BURDICK. Yes, National Guard Bureau resources under the general policy: First to fight is first to man. Early deploying units must maintain a higher state of combat readiness than later deploying units.

QUESTION. If early deploying units are not receiving priority in full-time support personnel assignments, provide your rationale for not doing so. General Ward.

General WARD. Since full-time support is distributed according to the Department of the Army Master Priority List, early deploying units are receiving priority for full-time support staffing.

GI BILL

QUESTION. General Ward, the Reserve Forces Policy Board during its quarterly meeting in December 1988 recommended that the Montgomery GI Bill (MGIB) should be amended to provide benefits for those attending trade or vocational schools. Does the Army Reserve support this proposal?

General WARD. I strongly support expansion of the MGIB to include vocational and technical training, on-the-job-training (also known as OJT) apprenticeship programs, and graduate studies—particularly in professional areas such as medicine and engineering, which are critical to mobilization. These changes would greatly expand the usefulness of the MGIB education benefits to Reserve soldiers and aid recruiting and retention, as well as promote parity with the Active Component for a key partner in the total force.

QUESTION. General Burdick, what about the Army National Guard?

General BURDICK. The Army National Guard strongly supports this proposal.

QUESTION. The GI Bill is considered to be a good recruiting and retention tool. Do you agree? Do you believe extending it to trade and vocational schools will have a further impact on recruiting and retention, General Ward?

General **Ward**. The Montgomery GI Bill has been a valuable recruiting and retention incentive from its inception. The Army Reserve has had a significant increase in the number of first-term enlistees who contract for longer initial terms of service specifically to qualify for the MGIB.

It is clear that educational opportunities in the Army Reserve contribute to our success in recruiting and retention. We believe that the addition of trade and vocational/technical training would greatly expand the usefulness of the GI Bill to our soldiers and thus, enlistment and retention.

Question. General Burdick?

General **Burdick**. The Montgomery GI Bill is an excellent recruiting and retention tool for the Army National Guard. Expanding it to vocational and trade schools will make it an even more attractive incentive to the large number of young people who are not planning on going to college.

Question. For the record, what are the number of personnel who utilized the GI Bill and the amount of payments for fiscal years 1987, 1988, 1989 and 1990. Also provide how much additional would be required in fiscal years 1989 and 1990 if the GI Bill was extended to include trade and vocational schools.

General **Ward**. The Montgomery GI Bill was enacted as a test program by P.L. 98-525, October 19, 1984 and named the New GI Bill. The test period was July 1, 1985 to June 30, 1988. On July 1, 1987, the program was made permanent and renamed the Montgomery GI Bill Act of 1984 (P.L. 100.48). The Army Reserve reported significant increases of first-term enlistees who contract for longer initial terms of service specifically to qualify for the MGIB.

The chart below is a cumulation of the approximate number of participants who used the GI Bill and the amount of payments from 1986 through fiscal year 1988 as provided by the Veterans Administration (VA). The dollars provided by VA do not reflect the dollars contained in the President's budget for Reserve Personnel, Army (RPA).

MONTGOMERY GI BILL—ARMY RESERVE PARTICIPANTS

Actual fiscal year 1987	16,026
Actual fiscal year 1988	25,519
Estimated fiscal year 1989	36,033
Estimated fiscal year 1990	46,014

MONTGOMERY GI BILL—ARMY RESERVE PAYMENTS

[In millions of current dollars]

Actual fiscal year 1987	17.0
Actual fiscal year 1988	31.8
Estimated fiscal year 1989	49.6
Estimated fiscal year 1990	63.4

Vocational training is not an entitlement under Chapter 106—MGIB. Reservists currently attending training are paying their own expenses, or receiving benefits under another GI Bill program. There are currently 12,314 USAR soldiers in vocational/technical training. The projected cost (annual) will be approximately six million each year for FY 1989 and FY 1990.

General **Burdick**. The following is a breakdown of ARNG personnel using the G.I. Bill for fiscal years 1987 thru 1990.

[Dollars in millions]

	Participants	Budget
Fiscal year 1987	12,000	$26.5
Fiscal year 1988	16,673	$41.3
Fiscal year 1989	15,962	$40.6
Fiscal year 1990	13,200	$40.7

The OSD/RA estimate for additional cost for VoTech would be $41.4 million for FY 1990, and $20.1 million for FY 1991. First year figures taken from OSD/RA Report to Congress on expanding the Montgomery G.I. Bill to include Graduate School and Vocational Training, dated February 1989.

RECRUITING

Question. The Committee is aware of recruiting malpractice at a Marine Corps recruiting station in Pittsburgh. The main area of malpractice was encouraging potential recruits not to divulge their involvement with drugs, or known medical conditions. Another area was the manufacturing of high school diplomas.

General Ward, are you confident that the recruiters in the Army Reserve do not involve themselves in recruiting malpractice?

General **Ward.** Yes. We have had few indications that Army Reserve recruiters have been involved with malpractice. Army Reserve recruiters are managed by the Army Recruiting Command (USAREC), and I am confident that their system purges itself of recruiters that lack integrity. USAREC has the responsibility for USAR recruiting. The Army Reserve provides the funding although most of the recruiting manpower comes from the USAR community. Based on USAREC input during FY 88, there were 362 allegations of impropriety against USAR recruiters. Investigations substantiated 84 cases of recruiter impropriety and 65 cases of recruiter error. Of these, there were 116 recruiters admonished and 18 recruiters relieved. Based on the aggregate AGR recruiter strength, the percentage relieved was less than 1 percent.

Question. General Burdick, what about the Army National Guard?

General **Burdick.** I am confident that we are doing everything possible to prevent recruiter malpractices in the Army National Guard. During initial and refresher training for our recruiting force, we emphasize integrity and honesty. Also, we take fast and decisive action in recruiter malpractice cases. We make sure that the recruiting force knows that such practices are not tolerated and have grave consequences. As a result of our constant efforts, instances of such malpractice have been very rare.

Question. One possible theory is that recruiters, who work 60 plus hours a week, are under pressure to make a certain quota and failing to do so can result in a transfer or termination.

General Ward, do your recruiters have a quota to make and what action is taken if a recruiter fails to make his quota?

General **Ward.** The Army Recruiting Command's recruiters are given specific missions each month to accomplish based upon the needs of their supported units and market capability. Should the recruiter fail to achieve the assigned mission, additional recruiter training is provided in the analyzed area of weakness. If it is determined that additional training will not help, the individual is then transferred, according to the needs of the USAR AGR manning system or released from AGR duty if no position commensurate with his primary MOS is found.

Question. General Burdick, what about your recruiters?

General **Burdick.** The actual day-to-day control and management of recruiting in the Army National Guard is a State function. The States do, however, give their recruiters quotas. The action taken when a recruiter misses his or her quota will depend on the situation. And, there are many options. The recruiter may, at one end of the scale, be counseled or a senior recruiter may work with the individual for a few days or weeks. Perhaps the problem could be too high a quota and it would be adjusted to a realistic level. We also provide refresher training for our recruiters and that might be appropriate in a specific case. In cases where the recruiter just can't do the job, removal is warranted. Normally, the individual would be taken off recruiting duty and moved to another job if that were possible. Our recruiting force is a highly skilled professional force. We have high standards and we expect them to be met. We also recognize that we are dealing with people and we try to set challenging, but attainable goals.

Question. General Ward, the Army Reserve fiscal 1990 budget increases recruiting by 16.5 percent and advertising by 13.6 percent over last year, while each of the other components show very little or negative growth. Why does the Army Reserve require such large growth in recruiting and advertising?

General **Ward.** The DOD requirement for medical soldiers is 377,040, of which 55percent is in the US Army. Since the Army Reserve has 70 percent of the medical wartime requirements for the Army, the Army Reserve has a larger responsibility than the other services for medical manpower. Current inventories show a shortfall of approximately 3,000 physicians, 15,000 nurses and 20,000 enlisted health professionals in the Army Reserve alone. Responding to this critical shortfall, DOD authorized a program budget decision with increases to the Army Reserve budget of $4.7 million in recruiting and advertising in an effort to reduce this shortfall.

Question. General Burdick, it has been brought to the attention of the Committee that the Adjutant General of New York testified a few years back before a grand jury that the Guard was using "ghost recruits"—that is when someone is undesirable and transferred out of one unit, his name is picked up at another unit and he continues to get paid. Are you aware of such a situation and can you assure the Committee that this is not happening today?

General **Burdick.** I am not aware of such situations in the Army National Guard. Such practices are contrary to everything that the Army National Guard stands for. We have worked hard to strengthen internal controls to keep that sort of thing from happening. Our pay system, for example, will not pay soldiers for drills they did not attend. While no system is completely foolproof, I am confident that our controls are adequate to prevent this type of fraud.

Question. For the record, would each of you provide the number of recruiters and the dollars expended for recruiting (excluding advertising) for fiscal years 1987 and 1988, and estimated from 1989 through 1991.

General **Ward**. The information on the number of Army Reserve recruiters and the money associated with recruiting is submitted as follows:

[Dollars in thousands]

	Military		Civilian		Total	
	End strength	Amount	End strength	Amount	End strength	Amount
Fiscal year 1987 actual	2,208	$22,256	218	$5,557	2,426	$27,813
Fiscal year 1988 actual	2,325	95,150	196	4,983	2,521	100,133
Fiscal year 1989 estimate	2,325	95,736	118	4,091	2,443	99,827
Fiscal year 1990 estimate	2,381	98,071	186	5,196	2,567	103,267
Fiscal year 1991 estimate	2,442	103,506	193	7,154	2,635	110,660

General **Burdick**. The following is a breakdown of resources for fiscal years 1987 thru 1991.

[Dollars in millions]

	1987	1988	1989	1990	1991
Production recruiters	2,457	2,444	2,434	2,434	2,434
Amount	$34.0	$31.0	$30.4	$29.4	$30.0

OPERATION AND MAINTENANCE

Question. General Ward, the Army Reserve fiscal year 1990 Operation and Maintenance request is $867.1 million, a 4.1 percent increase over fiscal year 1989. Realizing the budget constraints this year do you believe this level is adequate to support the Reserve in fiscal year 1990?

General **Ward**. Historically, our operation and maintenance account has not kept pace with the growth in Army Reserve end strength and programs. The fiscal year 1990 budget request does little to relieve that pressure. However, given the budget constraints, the fiscal year 1990 level is adequate to meet a minimal level of support for the very highest priority needs. The 4.1 percent increase covers growth in inflation and pay raises, leaving very modest program growth. Despite the increase over fiscal year 1989, we anticipate a shortfall of $5.6 million in leasing accounts and significant growth in the backlog of maintenance and repair.

Question. General Ward, what are your high priority unfunded Operation and Maintenance requirements?

General **Ward**. Army Reserve Operation and Maintenance priorities are: support of areas of immediate impact on soldier morale and mission accomplishment; recruiting and retention initiatives; and indirect support systems.

On the basis of these priorities, the following specific requirements and associated costs have been established:

First, leasing accounts to provide facilities until funds become available for more cost effective permanent construction and the leasing of facilities to support unit activations and relocations. A shortfall of $5.6 million is anticipated in fiscal year 1990.

Second, supplies and equipment used by soldiers to perform their military missions and which have a direct impact on morale. To meet the requirement in this area will cost 22 million dollars.

Third, information support systems for management of reserve forces, requiring $15.5 million.

Fourth, scholarship training for Army Reserve medical personnel at a cost of $6 million.

Question. General Ward, have you received any guidance on what changes the Bush budget amendment will have on Operation and Maintenance, Army Reserve?

General Ward. The budget amendment is under review at OSD. No final decisions have been made.

Question. General Ward, why does Special Operation Forces increase by 22.8 percent?

General Ward. Special Operation Forces increases $6.7 million for critical language proficiency training and mission equipment requirements.

Question. General Ward, why does Recruiting and Advertising increase by 15.8 percent? Provide details for the record.

General Ward. The DoD requirement for medical soldiers is 377,040, of which 55 percent is in the US Army. Since the Army Reserve has 70 percent of the medical wartime requirements for the Army, the Army Reserve has a larger responsibility than the other services for medical manpower. Current inventories show a shortfall of approximately 3,000 physicians, 15,000 nurses and 20,000 enlisted health professionals in the Army Reserve alone. Responding to this critical shortfall, DoD authorized a program budget decision with increases to the Army Reserve budget of $4.7 million in recruiting and advertising in an effort to reduce this shortfall.

Question. General Burdick, the ARNG fiscal year 1990 request is $1.9 billion, a 1.5 percent increase over fiscal year 1989. Realizing the budget constraint this year, do you believe this level is adequate to support the ARNG in FY 1990?

General Burdick. The FY 1990 budget request will support the Army National Guard's overall mission, and will provide adequate funding to attain a fully mission capable readiness level of 89 percent. Air operating tempo is projected to be 8.9 hours per crew per month and a ground operating tempo of 259 miles. However, these levels will be attained at the expense of reduced readiness levels in the outyears and increasing backlogs in Repair Parts, Organizational Clothing and Equipment, and Maintenance & Repair.

Question. What are your high priority unfunded O&M requirements?

General Burdick. In order to maintain a Ground OPTEMPO of 259 miles, the Surface Repair Parts backlog will be increased equating to a funding shortfall of approximately $11.9 million. The Base Operations Activity reflects a reduction in Minor Construction of $17.7 million, thus causing Armory Backlog of Maintenance and Repair (BMAR) to increase. Although FY 1989 has funding of $4.1 million for the Drug Interdiction Program, FY 1990 contains no funding for this program.

Question. Have you received any guidance on what changes the Bush budget amendment will have on the O&M Army National Guard appropriation?

General **Burdick.** Yes. The Operation and Maintenance, Army National Guard appropriation lost $3 million in FY—90 because of a reduction in Overseas Deployment Training and fewer Unit Training Assemblies being held.

TECHNICIANS

Question. General Ward, section 8045, PL 100-463 requires that a technician employed as of December 8, 1983 in the administration and training of the Army Reserve and the maintenance and repair of supplies issued to the Army Reserve to also be a military member of an Army Reserve Troop Program Unit he is employed in as a technician. If there is no TPU in his area, he must be a member of the Selected Reserve.

What are your views on this restriction?

General **Ward.** The statute is intended to ensure that a commander can take his full time staff to war with him. This is essential to the readiness of the unit.

Question. General Ward, what impact does it have on the operation of the Army?

General **Ward.** It enhances the operational capability of reserve units.

Question. General Ward, what would be the impact on the Army if this section was amended to require a technician to only be a member of the Selected Reserve?

General **Ward.** It would ultimately result in many units mobilizing without part of their full time staff. There would be great incentive to assign key responsibility to the active component or AGR soldiers assigned to units, since they will deploy with their units. It does not seem prudent to re-create a structure where Guard technicians are treated differently from Reserve technicians.

Question. General Ward, what problems would arise in the event of mobilization?

General **Ward.** Units would go to war without their full-time supply, maintenance, training and administrative personnel.

Question. General Ward, should regulations be prepared which would in the event of mobilization require the technician to help his home unit mobilize and then return to his Selected Reserve unit?

General **Ward.** No. For reasons I have stated above, the preparation of regulations is unnecessary.

Question: General Ward, in its final report from the Military Technician Task Force, August 1985 to March 1986, the Army stated that the current policy for the military assignment of technicians in troop units lacks flexibility, restricts the upward mobility of both the technician force and the drilling reservist and often hinders recruiting efforts. General Ward, what has been done to correct this problem? Provide specific details for the record.

General **Ward**. First let me say that the report you refer to was simply the recommendation of a study group and not a reflection of Army policy. The policy of governing the employment of technicians is prescribed by PL 100-463, which requires that Army Reserve technicians like their Guard counterparts be military members of the units that employ them as civilians. While this does limit the upward mobility of technicians in certain geographical areas, it should also be noted that the National Guard requirement for compatibility between military and civilian positions is more strict than that of the Army Reserve. The Army position remains that a unit's full time personnel who includes technicians, AGR, and active component soldiers, should go to war with the unit.

Question: General Ward, prior to the provision of Section 8045 being implemented in fiscal year 1984, military membership in a unit was a condition of employment and in the event of mobilization the technician will accompany the unit he services throughout the initial phases of mobilization. General Ward, would the Army Reserve like to return to this policy and why?

General **Ward**. No, the Army Reserve does not wish to return to the technician employment policy prior to 1984 which required the technician only be a military member of a unit.

Question: General Ward, for the record, please comment on the following suggestions:

A. Creation of a separate military TDA identified for technicians (same as AGR).

B. Creation of civilian technician military augmentation slots.

C. Carry civilian technicians against the total Army shortfall in a CT000 position.

General **Ward**. A. In order to better identify and account for all full-time support requirements and authorizations, the Army is presently working to place active component, Active Guard/Reserve and military technicians all on the same unit document. Therefore, it would be inappropriate at this time to create a separate military TDA identified for technicians.

B. Augmentation positions are for the peacetime environment only and serve to augment the capabilities of warfighting units given peacetime missions for which they are not structured. Augmentation positions are considered non-essential during mobilization and are abolished as units transition to their wartime missions accordingly. Since military technicians are required to be mobilization assets of their units, placing them in augmentation slots is inappropriate.

C. Placing technicians in CT000 positions would cause considerable problems in identifying, managing and training the technicians. Perhaps, even more importantly, since CT000 positions are, in effect, an uncomitted resource pool, upon mobilization, the technicians would be available for assignments to units other than the ones with which they have trained and which they have supported. This would cause those supported units to lose those soldiers and their skills during wartime when they need them the most.

Question. General Ward, section 8045 was included to eliminate the so-called "status quo" technicians who had no mobilization requirement. How many status quo technicians were on the rolls at the end of fiscal year 1983 and how many of these are still active?

General **Ward**. The number of status quo technicians at the end of FY 1983 was 1,300. For FY 1989 the latest count reveals that 530 are still active.

Question. General Ward, another type of status quo technician is becoming more prevalent—that which has reached maximum years of service and elimination by qualitative retention boards but still has some time left before he or she can receive a civilian annuity.

How many of these "status quo" technicians are in the Army Reserve?

General **Ward**. The number of status quo technicians that lost their military membership through maximum years of service or elimination by qualitative retention boards is approximately 300 of the current 530 status quo members.

Question. General Ward, what is the policy of the Army Reserve on whether or not a reservist can be allowed to continue drilling?

General **Ward**. The policy determining whether or not a Reserve Technician can continue drilling is based on a case by case analysis of each technician and his or her military employment status. Technicians who voluntarily end their military status are not allowed to continue as technicians. Those who involuntarily lose their military status are evaluated in accordance with Army Regulation 140-315, which states those provisions that apply to the pre- or post-1983 technician.

Question. General Ward, is there an appeal process?

General **Ward**. Yes, Army Regulation 140-315 paragraph 8i provides opportunity for waiver request through command channels to the Office of the Chief, Army Reserve.

Question. General Ward, how many waivers have been granted to pre-1983 technicians and to post-1983 technicians? If there is a difference in policy here, please explain why?

General **Ward**. No waivers have been granted to pre-1983 technicians. However, under the grandfathering provision invoked at the implementation of Public Law 98-212 of 1983, the pre-1983 technician can retain his civilian employment without waiver. Eleven waivers have been granted to post-1983 technicians. These were granted under a time limitation to allow these technicians to seek other federal employment under a priority placement provision invoked by the servicing civilian personnel office. The difference in policy here in granting or not granting a waiver is determined by the employment date of the technician and whether loss of military membership was due to voluntary or involuntary action on his or her part.

Question. General Ward, if Section 8045 was deleted in the fiscal year 1990 law, would the policy change? If so, how?

General **Ward**. Yes, the policy would change. The retention of the technician in his or her military position would be decided on factors other than the unit membership restriction. For example, the Army provision of indispensability could be applied where the loss of a valued experienced military member would affect unit operations. A decision to retain members, however, would be judiciously rendered in terms of the technician's potential for contribution to the nation's defense and individual unit readiness. The elimination of Section 8045 would not change the military requirements for continuation.

QUESTION. General Ward, section 8052 allows the Secretary of the Army or the Secretary of the Air Force to retain in an active status until the age of 60 any officer who would otherwise be removed from an active status and who is employed as a technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

Should this be amended to include NCO's and enlisted members?

General **WARD.** No. By statute, enlisted soldiers can already be retained until age 60. Some soldiers are involuntarily separated from their units before age 60 to meet force structure requirements and to ensure that junior personnel have ample opportunity for promotion. This policy applies to all Reserve soldiers not just technicians. Army Regulation 140-315, which governs the Army Reserve Technician program, applies the age-60 provision to enlisted members. We include all technicians hired after 1983 in our appeal process, when military membership is lost on an involuntary basis. Retention until age 60 or eligibility for immediate civil service annuity may be considered an option for employment.

QUESTION. General Ward, should this be amended to include all technicians whether or not they are required to be a member of the Selected Reserve as a condition of technician employment?

General **WARD.** No. To retain the status quo member who has the assurance of civilian employment upon loss of military membership should only be done on a selected basis. As civilian employees technicians have no age restrictions for retirement. Therefore, they can accrue retirement credit up to the day of retirement from their civilian positions. Technicians hired after 1983 lose total employment upon loss of membership. Therefore, the extension to age 60 or civil service retirement eligibility can provide the technician a means of income until other employment is found.

EQUIPMENT

QUESTION. General Ward, how much is requested in the Fiscal Year 1990 budget for Army Reserve procurement of equipment, and what percentage of the shortfall will this alleviate?

General **WARD.** The President's budget provides for procurement of $100.3 million of equipment for the Army Reserve. This is 3.12 percent of the Army Reserve shortfall ($3.129 billion), as reported in the Annual Report of the Armed Forces Policy Board, February 1989.

QUESTION. General Burdick, what about the Army National Guard?

General **BURDICK.** The P-1R Exhibit designates equipment procurement valued at $392.9 million for the Army National Guard. Based on the Army National Guard equipment shortfall of $7.3 billion, 5.4 percent of the shortages will be alleviated. The procurement of 5.4 percent per year of the equipment shortfall does not allow us to meet readiness and equipping objectives. The committee should realize that a large amount of equipment (36 percent) comes to us as displaced equipment. The progress towards resolving our shortages are not as bleak as the 5.4 percent figure indicates.

QUESTION. General Ward, what are the Army Reserve's high priority unfunded procurement items?

General **WARD.** The Army Reserve's prioritized list of unfunded procurement requirements for mission essential equipment based on a September 1992 asset projection follows: Priority One, Communication and Electronic Equipment; Priority Two, Petroleum, Soldier and Combat Support Systems and Aircraft and Aircraft Support Materiel; and Priority Three, Tactical Vehicles, Tracked Combat Vehicles, and Weapons and Other Combat Vehicles.

QUESTION. General Burdick, what about the Army National Guard?

General **BURDICK.** A list of high priority unfunded procurement items for the Army National Guard is provided below. Of particular importance is the continued procurement of new 5 ton trucks and rebuild/repowering of the existing fleet. The 5 ton shortage is the biggest problem we have today, with a fill of only 35 percent of the needed cargo trucks. An essential part of the separate equipment appropriations is the miscellaneous funds used to buy test equipment and tools, components and small equipment items so important to sustaining the force and improving the readiness of support units. I want to continue the procurement of the M113A3 personnel carriers to improve the mobility and survivability of our mechanized forces. In addition, I request consideration for the procurement of 100 command post carriers to address shortages in command and control facilities that are affecting readiness of new and reorganizing units. The procurement of Fire Support Team Vehicles in fiscal year 1990 will bring the Army National Guard to an acceptable C2 level for this important force multiplier. Of special interest is the Multiple Launch Rocket System equipment contained on the list. We are very interested in obtaining this very effective weapon system to support divisional requirements and additional battalions assigned to Corps level.

Item	Quantity	Cost (millions)
5 Ton Cargo Trucks	1,525	$100
M113A3 Personnel Carriers	300	91
Miscellaneous Funding for Test Equipment, Tools and Support Equipment	—	50.0
M577 Command Post Carriers	100	27.5
5 Ton Truck Rebuild	900	35
Fire Support Team Vehicles	87	39
Multiple Launch Rocket System with Support Equipment	60	200
M916 Truck Tractors	450	45
5 Ton Wreckers	150	20
CH-47 Cargo Helicopters	8	104

QUESTION. General Ward, the fiscal year 1988 and 1989 columns of the fiscal year 1990 budget show a lower amount (approximately $500 million each year) than was requested in the budget for that particular year. Do you believe the Army Reserve P-1R request gets reduced because Congress provides dedicated procurement each year?

General **WARD.** No, I do not believe that this is a conscious occurrence because the amount of Dedicated Procurement funding provided by Congress is not determined until later in the budget cycle. The P-1R reflects planned distribution of Total Army procurement sources from the most current Total Army Equipment Distribution Program (TAEDP) to the Active and Reserve Components. However, it is accurate to say that as a result of such reductions, I have had to expend DPP dollars to procure those items which would otherwise have been financed by Other Procurement Army (OPA).

QUESTION. General Burdick, how about the Army National Guard?

General BURDICK. The Army National Guard share of the equipment procurement reduction from the amended FY 1989 P-1R to the FY 1990/91 P-1R is approximately $300 million. I do not believe that the Army has established or executes a policy to reduce procurement of equipment to the Army National Guard based on separate equipment appropriations. As procurement appropriations are reviewed to address new Army priorities or address budget reductions, however, the Army National Guard action becomes a factor in the reduction or elimination of an Army procurement program. This reduction normally becomes more visible to us after a procurement action has been documented in the P-1R.

QUESTION. General Ward, do you feel the Army Reserve received its fair share of the Active Component equipment commensurate with the deployability of the unit?

General WARD. The Army staff has planned and programmed its equipping policies to support as fully as possible the present Department of Defense policy, which requires that "units that fight first shall be equipped first, regardless of component."

A majority of Army Reserve units have combat support and combat service support missions, while the active component and National Guard are combat heavy in their organizations. As current policy is interpreted, Army Reserve missions are viewed as less essential to readiness than the combat heavy organizations, despite the fact that many Army Reserve units have been established to deploy and fight at the same time as active component and National Guard units deploy.

A constrained resource environment tends to harden existing procedures for establishing priorities and those procedures impact on Army Reserve equipping programs generally including our early deploying units. Of equal importance, however, is the adequate equipping of Army Reserve employing units, which are vital to the maintenance of an indispensable sustaining and training base in the event of mobilization. The Army is studying this issue currently in an attempt to remedy Army Reserve equipment shortfalls that may jeopardize effective mobilization of the "Total Army."

QUESTION. General Burdick what about the Army National Guard?

General BURDICK. I believe that the Army distributes the equipment that is available based on the "First to Fight, First to be Equipped" policy. The Army National Guard is receiving a fair share of what is procured based on the "First to Fight, First to be Equipped" policy. In many instances the quantity of the equipment procured and available for distribution does not, however, satisfy the requirements of the Army National Guard other than roundout units. Based on the quantity of each type of equipment procured and the policy to distribute it to forward deployed and earlier deploying units, later deploying Army National Guard units are not modernized or equipped with certain critical equipment items.

ARMORY SUPPORT

QUESTION. In fiscal year 1988, the Appropriations Committee directed the Army National Guard to begin budgeting for the federal portion to repair, modify, and renovate the armories. General Burdick, how much was included in the fiscal year 1989 budget for this purpose? In fiscal year 1990, requested.

General BURDICK. Funding was not budgeted in FY 1989 or FY 1990. Due to decremented funding in these years (from $214 million in FY 1988; to $193.7 million in FY 1989; to $183 million in FY 1990) funding was not available to budget for Armory Maintenance and Operations. Ongoing and new training/logistical support requirements and higher yearly costs of other ongoing programs require funding above what has been authorized. However, in FY 1989, $8.7 million has migrated into the Operations and Maintenance Army National Guard account from other sources and will be dedicated to Armory Support.

QUESTION. Are the States budgeting for their portion of repair and renovation of armories? If yes, are they budgeting enough? If no, why not?

General BURDICK. Yes, the majority of the states budget sufficient funds for their portion of armory repairs and maintenance. A state must budget an amount equal to or in excess of the prior fiscal year in order to be eligible for federal support thru the Armory Maintenance and Operations Program. In several states, the state legislature did not budget enough funds to meet the minimum federal requirement for support.

QUESTION. Since keeping our armories in good condition is essential to the morale of the Guard members and the mission of the Guard, is the Guard Bureau discussing this problem with the States?

General BURDICK. Yes, continually. The upkeep of all facilities, including armories, is of critical importance to the Adjutants General. State funding is a topic discussed almost daily between the Facilities Management Officers of the States and the National Guard Bureau, Installations Division.

[CLERK'S NOTE.—End of questions submitted for the record.]

THURSDAY, APRIL 6, 1989.

AIR NATIONAL GUARD AND AIR FORCE RESERVE

WITNESSES

MAJ. GEN. ROGER P. SCHEER, USAF CHIEF, AIR FORCE RESERVE
MAJ. GEN. PHILIP G. KILLEY, USAF, DIRECTOR, AIR NATIONAL GUARD

INTRODUCTION

Mr. MURTHA. The Committee will come to order.

Our next witnesses are Major General Roger P. Scheer, United States Air Force Chief of the Air Force Reserve; and Brigadier General Philip G. Killey, United States Air Force, Director of the Air National Guard.

The Air Force Reserve fiscal year 1990 request for reserve personnel and operation and maintenance is $1.7 billion, which is less than provided last year. When including active military personnel, procurement, and military construction funds, it increases to $1.9 billion. This supports a Selected Reserve strength of 84,800.

The Air National Guard fiscal year 1990 request for reserve personnel and operation and maintenance is $3 billion, a 1.8 percent increase over last year. When including active military personnel, procurement, and military construction funds, it increases to $3.9 billion. This supports a Selected Reserve strength of 116,300.

When we get to the questioning, we will have several questions for both to you to answer and then we will get into specifics of each reserve.

Gentleman, we welcome you. Your prepared statements will be inserted in the record. Please summarize your statements.

General Scheer.

SUMMARY STATEMENT OF GENERAL SCHEER

General SCHEER. Thank you, Mr. Chairman for the opportunity to appear before this subcommittee and share with you the current status of the Air Force Reserve.

Basically, I can tell you it is a good news story. We, too, are at an all-time high level of readiness.

All of our flying units are combat ready.

Ninety-seven percent of our non-flying units are combat ready, all are capable of being deployed within 48 hours.

Certainly this level of readiness is a result of a team effort. By providing modern equipment, substantive missions, and realistic training opportunities, the Congress and the Air Force have given the quality personnel of the Air Force Reserve the means and motivation to achieve these high levels of capability.

If we look just at modernization, we are at a level today that we would not have dreamed of four or five years ago.

By 1991, we will be out of the F-4s and into F-16s. We are in the C-5s and C-141s; and thanks to the Congress, we have brand-new C-130s.

Perhaps the long pole in the tent is our helicopters, the H-3 Fleet is extremely old and almost nonsupportable, that is the exception to the rule. But across the board in equipment, other than the helicopters, we are in extremely fine shape.

The other areas that we have some shortfalls in are defensive equipment for our aircraft, some O&M degradation in 1990. But as I mentioned, overall, it is a good news story.

We acknowledge the combined efforts of our reservists' families and civilian employers which have enabled us to provide our services to the Air Force.

Our crews today have to spend over 100 days, an average of 110 days a year with us to fulfill our mission requirements.

Our employers are extremely cooperative with us in that endeavor. Without this teamwork, certainly the absences from home or office and the attendance at frequent training activities would not be possible if it were not for the Congress, the families and the reservists themselves.

Mr. Chairman, we can assure you we are doing our utmost to utilize the people and the equipment that you have given us to the highest combat capability Air Force Reserve possible.

Thank you, sir.

[The statement of General Scheer follows:]

Biography

United States Air Force

Secretary of the Air Force, Office of Public Affairs, Washington, D.C. 20330

MAJOR GENERAL ROGER P. SCHEER

Major General Roger P. Scheer is chief of Air Force Reserve, Headquarters U.S. Air Force, Washington, D.C., and commander, Headquarters Air Force Reserve, a separate operating agency located at Robins Air Force Base, Ga. As chief of Air Force Reserve, General Scheer serves as the principal adviser on Reserve matters to the Air Force chief of staff. As commander of Headquarters Air Force Reserve, he has full responsibility for the supervision of all U.S. Air Force Reserve units around the world.

General Scheer was born Nov. 13, 1934, in Akron, Colo., and graduated from high school in Hinsdale, Ill., in 1952. He received a bachelor of science degree in mechanical engineering from the University of Colorado, Boulder, in 1957 and a master's degree in business administration from Central State University, Edmond, Okla., in 1977.

After receiving his commission as a second lieutenant through the University of Colorado's Air Force Reserve Officer Training Corps program, General Scheer earned his pilot wings in 1958 at Webb Air Force Base, Texas. He then completed training at Moody Air Force Base, Ga., and was assigned to Ramstein Air Base, West Germany, flying F-86D's with the 514th Fighter-Interceptor Squadron. In 1961 the general transferred to Spangdahlem Air Base, West Germany, where he served as standardization and evaluation officer with the 8th Tactical Fighter Squadron, flying F-100s and F-105s.

He returned to the United States in 1963 and was assigned to the 4th Tactical Fighter Wing, Seymour Johnson Air Force Base, N.C., as standardization and evaluation officer, flying F-105s. During the last six months of this tour of duty, he was on temporary duty at Incirlik Air Base, Turkey, as a member of a rotational squadron.

General Scheer then was assigned to the 67th Tactical Fighter Squadron at Kadena Air Base, Okinawa, in August 1965. Almost immediately, he was sent on temporary duty to Korat Royal Thai Air Force Base, Thailand, where in 1965 and 1967 he flew 168 combat missions. In July 1969 he transferred to the 355th Tactical Fighter Wing at Takhli Royal Thai Air Force Base, Thailand, where he served as operations officer and chief of standardization and evaluation and again flew F-105s.

In March 1970 he separated from active duty and joined Loewi and Co. in Chicago as a stockbroker. Eighteen months later, he went to work in the A-10 Marketing Division of Fairchild-Republic at Farmingdale, N.Y.

After the Air Force announced that the former C-124 Reserve unit at Tinker Air Force Base, Okla., would be the first Air Force Reserve unit to convert to a tactical fighter mission and be

(Current as of November 1986) OVER

assigned F-105s, General Scheer applied for a full-time air reserve technician position with that unit. He subsequently joined the 507th Tactical Fighter Group at Tinker in early 1972, serving as operations and training officer for the 465th Tactical Fighter Squadron until January 1973 when he was named group commander. In May 1978 he became commander of the 301st Tactical Fighter Wing, Carswell Air Force Base, Texas. During his command, the wing and its subordinate units were equipped with F-4D's. The general served as deputy to the chief of Air Force Reserve at Air Force headquarters from April 1983 until May 1985, when he became commander of 10th Air Force, Bergstrom Air Force Base, Texas. He assumed his present position in November 1986.

A command pilot with more than 5,000 flying hours, General Scheer logged almost 450 combat hours in F-105s during his Southeast Asia tours of duty. His military decorations and awards include the Silver Star with one oak leaf cluster, Legion of Merit with one oak leaf cluster, Distinguished Flying Cross with four oak leaf clusters, Meritorious Service Medal, Air Medal with eight oak leaf clusters, Air Force Commendation Medal, Presidential Unit Citation Emblem, Air Force Outstanding Unit Award Ribbon, Combat Readiness Medal with three oak leaf clusters, National Defense Service Medal, Armed Forces Expeditionary Medal, Vietnam Service Medal with three service stars, Air Force Longevity Service Award Ribbon with four oak leaf clusters, Armed Forces Reserve Medal, Small Arms Expert Marksmanship Ribbon, Republic of Vietnam Gallantry Cross with Palm and Republic of Vietnam Campaign Medal.

His civic affiliations include the Air Force Association; Reserve Officers Association; Fort Worth, Texas, Civic Leaders Association; and the Fort Worth Air Power Council, a group of leading citizens interested in furthering the objectives of the Air Force.

He was promoted to major general June 30, 1986, with same date of rank.

General Scheer is married to the former Sandra Foster of Glencoe, Ill. They have three daughters: Lisa, Lauren and Paige.

STATEMENT OF MAJOR GENERAL ROGER P. SCHEER
CHIEF OF AIR FORCE RESERVE

MISTER CHAIRMAN AND MEMBERS OF THE COMMITTEE: Thank you for the opportunity to appear before this Subcommittee on Defense and share with you the current status of the Air Force Reserve, the challenges we face, and the accomplishments we have made during the past year. Our Reserve units are combat ready. They can be mobilized in 24 hours and deployed within 72 hours. In Fiscal Year (FY) 1988 we made significant improvements to the quality of our training and today are at the highest level of readiness in our history, with 97% of our units (excluding those in conversion) designated combat ready. This is up from 71% just 4 short years ago.

These readiness levels are a result of a team effort: The Congress, the Air Force, and the Reservist. By providing modern equipment, substantive missions and realistic training opportunities, the Congress and the Air Force have given the quality personnel of the Air Force Reserve the means and motivation to achieve these high levels of combat capability.

This next year presents a difficult fiscal challenge for our country and especially for the military establishment. In light of hard-hitting budget limitations, we must not allow current high readiness levels to erode. We can't let the gains of the past years slip away. Much has been written and spoken recently concerning major restructuring of the United States Air Force -- specifically, the increased transfer of missions to the Air Reserve Forces. We think the current force mix is about right. It provides an adequate pool of trained personnel to the Reserve forces without which we would be unable to maintain current readiness levels. If the Reserve forces were to significantly expand at the expense of active force levels, this pool of trained personnel would diminish to the point where, at some future date, it could be inadequate to meet Reserve manpower requirements. The untrained would then have to replace the trained, thus raising training costs and reducing readiness. Perhaps some fine tuning of the existing force is prudent, but we must not create the false perception that this country can be defended solely by a Reserve force.

To meet the demand of providing the strongest defense for the dollar, we must continue to attract and retain highly qualified, motivated people who demonstrate pride in their performance. At the same time, we must acquire the modern equipment and provide realistic training environments that will effectively challenge and use the talents of today's Reserve professionals.

PROGRAM CHANGES

Equipment Modernization

The primary goal of the Air Force Reserve is to sustain a superior combat ready force. Today, the Air Force is making great qualitative strides in this effort by providing our flying units with some of the newest, state-of-the-art aircraft in America's arsenal. The support Congress has given the Air Force has made these modernization efforts possible. We will do everything possible to ensure that the capabilities of these weapons systems are fully exploited.

We are continuing to upgrade our tactical fighter force in FY 1989 with the conversion of the F-4 units at Tinker AFB, Oklahoma and Homestead AFB, Florida to the F-16 aircraft. However, budget constraints and delays in upgrading active units to newer F-16C/Ds have slowed modernization of our fighter force at other Reserve locations. We now plan to complete F-4 unit conversion to F-16A/B at Wright-Patterson AFB, Ohio in early FY 90 and will similarly convert Carswell AFB and Bergstrom AFB, Texas in late FY 91. Any further reduction in planned active duty F-15 and F-16 procurement levels will extend our aging F-4s seriously affecting our war fighting capability.

This continuing modernization of our tactical fighter force with the F-16 brings a corresponding challenge to the Reserve as we prepare to meet the anticipated threat well into the 21st Century. We must now address the midlife upgrade of this aircraft while ensuring commonality with the active Air Force and our allies. We coordinate our efforts with the Air Force and NATO as an active member of the Multi-national Fighter Program.

The Air Force Reserve will retire its last C-130A tactical airlifter this year. The only C-130As remaining in the Reserve after this year are the dated gunships at Duke Field, Florida. The active Air Force procurement of the new AC-130U will release upgraded H-model gunships to replace those A-models. This replacement is critical as these 30-plus year old AC-130As offer only limited capability to the increasingly important special operations mission.

In the past year we acquired an increased strategic airlift capability at our unit-equipped C-141 and C-5 wings. The 459th Military Airlift Wing (MAW) at Andrews AFB, Maryland is fully converted to eight C-141B aircraft and the 433rd MAW at Kelly AFB, Texas completed its conversion from 16 C-130Es to 15 C-5As assigned as of December 1988. This year the 439th MAW at Westover AFB, Massachusetts has received the remainder of its 14 C-5s. We will continue this effort by replacing eight C-130E model aircraft at Rickenbacker ANGB, Ohio, with 12 C-141Bs, beginning in FY 91. These unit conversions allow us to operate and maintain valuable strategic airlift aircraft economically at a low peacetime tempo while maintaining a high wartime surge capability.

Another important airlift enhancement is the C-17A. The development of this aircraft will ensure a quantum leap forward for our nation's airlift capability. Its timely acquisition will provide a critical improvement in the ability of the Air Force to project conventional forces wherever they might be needed. As I indicated in my testimony last year, this is the first time in MAC's history that a production line strategic airlift aircraft is scheduled for a unit-equipped Reserve organization. Any stretching out of this program will have a ripple-down effect on overall Air Force Reserve modernization efforts. Delays in the delivery of C-17As to active units slow the subsequent transfer of their resources to and between Reserve units. We strongly urge this important program be kept on track.

We have been a full partner with the active Air Force in direct support of the strategic mission. Our KC-135E aerial refueling units at Grissom AFB, Indiana, and March AFB and Mather AFB, California will each receive 2 additional aircraft late in FY 90. This is the result of the deactivation of an active KC-135 unit. Congress has provided the funds to upgrade these KC-135As to the KC-135E configuration with the attendant significant increase in capability. The addition of these six aircraft will allow the Air Force Reserve to provide three added lines of alert.

Perhaps the Air Force Reserve's greatest challenge is to provide our personnel with state-of-the-art training programs. We must be able to meet the inevitable increase in future readiness goals without adding to our Reservists' already over-burdened participation requirements. These new programs include self-paced programmed instruction, part-task trainers, multi-media learning programs, and computer simulation. Congress has generously supported our past training requirements and we look forward to your continued support in the future.

Shortfalls

Our ability to successfully operate in a hostile environment remains one of the Air Force Reserve's highest priorities. To achieve this goal, we are buying electronic countermeasures pods for our fighters and defensive systems for our airlift force, made possible through the miscellaneous equipment funds provided by the Congress. Without this critical equipment, our tactical fighter and airlift units lack the capability to penetrate enemy defenses and survive.

This upgrade has been a very slow process. Our current program includes funds for only one-fourth of our fighter defensive system requirements. We must aggressively continue our efforts in this area if we are to provide our air crews creditable survivability.

Our tactical airlift aircraft may face the same hostile environment as our fighters. Today we are installing the first defensive system on a Reserve C-130 at Dobbins AFB, Georgia. This prototype is expected to demonstrate that a cost effective, off-the-shelf system can provide adequate, timely protection against most threats to our tactical airlifters. The importance of this effort cannot be understated. In December, while on a humanitarian aerial spray mission, two commercially chartered DC-7s were attacked in North Africa by heat-seeking missiles. Our C-130s, operating daily in Central and South America, could face a similar terrorist threat. We will continue a concerted effort to provide our crews the protection needed to complete their peacetime and wartime missions.

MANPOWER

As the members of this committee are aware, the Air Force Reserve has experienced significant mission growth over the past decade and a half. You have made this possible by providing the end-strength required to meet the associated wartime and contingency tasking responsibilities. The Air Force Reserve end-strength grew to 82,116 in FY 88, a total that has nearly doubled since 1973. Simultaneously, however, the ratio of full-time support (civilians and Air Reserve Technicians) to Reserve unit end-strength actually declined from 25 to 20 percent. Budget restrictions have prevented full-time support and management requirements from keeping pace with Reserve end-strength increases. Additionally, the Goldwater-Nichols DoD Reorganization Act imposed growth restrictions on Reserve management headquarters. The combination of these two factors jeopardizes our ability to provide adequate support to our field units in the face of increasing readiness requirements.

Personnel Legislation

In the area of legislation, recent Congressional action has had a significant, positive effect on retention and the quality of life of our force. Last year's extension and enhancement of the Montgomery GI Bill is but one of those important pieces of legislation.

However, the progress of one legislative proposal was not as successful. Specifically, the Reserve Officers Personnel Management Act (ROPMA) was introduced to the 100th Congress with no resultant legislation. When Congress initiated the Defense Officers Personnel Management Act in 1981, it directed similar legislation for the Reserve components. We ask that you consider and adopt the major provisions of ROPMA when it is submitted again during this session.

Recruiting and Retention

The Reserve recruiting structure continues to achieve exceptional results. Our Air Force Reserve Recruiting Service is unique as it maintains its own offices collocated with Reserve units across the country, targeting a primarily "hometown" market. This "organic" recruiting structure is essential to the Air Force Reserve if we are to successfully meet future requirements.

Our recruiters are finding an extremely high caliber of people: 99 % of our non-prior service enlistees are high school or equivalent graduates while 77% of all recruits are trained, prior service members. Retention is also up in FY 88. We had a reenlistment rate of 87% for non-prior service and 92% for our prior service members. Continued improvement in this area is a major goal for 1989.

This recruiting and retention success, combined with our high participation rate - 98% for officers and 95% for enlisted members in FY 88 - allows us to maintain a motivated, top quality force. Perhaps one of the best examples of this quality force was the selection of CMSgt Roy Arakaki as one of the 12 Outstanding Airmen of the Year in the entire Air Force for 1988. A chief of loadmaster standardization and evaluation at the 445th Military Airlift Wing (MAW), Norton AFB, California, Chief Arakaki is a shining example of the citizen airmen who make up the Air Force Reserve.

While we have had significant recruiting successes, I would be remiss if I did not point out the difficulty we are facing in our Air Reserve Technician (ART) manning. The Air Reserve Technician continues to be the backbone of our Reserve unit program. Unfortunately, ART recruiting has lagged over the past five years, primarily because Civil Service compensation has fallen far behind the private sector. With the continuing high-level of airline hiring, we anticipate this situation will only get worse -- especially in our pilot and aircraft maintenance areas.

Medical Readiness

The Air Force Reserve has made consistent strides in medical readiness and our manning in this area continues to improve. Again, we owe a great deal of this success to strong Congressional
leadership and support for medical recruiting and retention. Our medical stipend program is operational, and we expect it to help fill critical physician vacancies. By raising the maximum age for initial medical appointment and the maximum age for retirement, we are now able to recruit to a broader physician base. Additionally, the accession bonus program for critical skills will be operational by 1 April. To take full advantage of these tools, we plan to increase the number of dedicated medical recruiters.

As I reported last year, in response to the 1987 Defense Authorization Bill, we continue to expand our involvement in the Combat Casualty Care Course (C-4) and readiness training for all medical disciplines. Our efforts are aimed at offering well qualified medical professionals purposeful and applicable training. On the down side, however, we have only 88% of the physicians and nurses we need -- a shortage of approximately 90 and 260 respectively. We are confident that existing incentive and bonus programs will help us to meet our physician goals, but the outlook for nurses is cloudy. Although the Reserve is having difficulty competing with opportunities provided by the private sector, we are leaving no stone unturned in our effort to reverse this situation.

Exercises

The Individual Ready Reserve (IRR) is a manpower pool of individuals who have had previous military training (either on active duty or in the Selected Reserve) and have a remaining military service obligation. These members are not assigned to units and have no participation obligation. However, they may voluntarily participate in certain types of training.

In order to assess this manpower resource, the Secretary of Defense mandated the services to order IRR members to one day of active duty each year during the period of FY 1987-1992. In 1989, we plan to conduct this screening in a manner similar to the actual process that would be used during mobilization. Under this concept, we will identify selected members of the IRR with critical specialties and move them to a technical training center for processing. We will then evaluate their skill retention, identify follow-on training requirements, and simulate assignment actions based on anticipated manning requirements. This test will provide an excellent assessment of the actual backfill capability of this important mobilization resource.

We test our units as well to determine their capabilities. Last year the Air Force Reserve played a significant role in both Joint Chiefs of Staff (JCS) and Air Force exercise programs. Not only did 44 of our 58 flying units participate, but so did 172 combat support and combat service support units. Perhaps less visible than the flyers, our aerial ports, aeromedical and medical, enroute maintenance, communications and engineering teams truly make these exercises meaningful and realistic. Over 30,000 Reservists participated in FY 88 exercises which included VOLANT OAK and AHUAS TARA in Central

America, DISPLAY DETERMINATION in Europe, and TEAM SPIRIT in the Pacific.

OPERATIONAL ACHIEVEMENTS

Air Force Reserve flying units logged more than 223,000 hours in FY 88, flying unit-equipped and associate strategic airlift, tactical airlift, fighter, rescue and tanker aircraft. Our flying is not limited to local training missions. In quantitative terms, the by-product of our world-wide Reserve contribution to MAC is impressive. MAC-gained units flew in excess of 140,000 hours in FY 88. Our Reserve tactical airlift was responsible for deploying 32,000 troops (airdropping 16,000) and 4,000 tons of cargo (airdropping 500 tons). We continue to play an important role in REFORGER in Europe. Reserve crews and aircraft were even called upon to transport Intermediate Nuclear Forces (INF) Treaty verification teams to Moscow.

The Air Force Reserve, in conjunction with the Air National Guard, continues to maintain a year-round rotation in Panama in direct support of United States Southern Command (USSOUTHCOM) with six C-130s, seven aircrews, and 60 support personnel. Last year VOLANT OAK crews flew 331 missions carrying over 10,000 passengers and over 2500 tons of cargo. A significant portion of this effort was in support of USSOUTHCOM's "Good Neighbor Programs."

In the area of competitions, a Reserve crew commanded by Lt Col Ken McKibban was selected as the "Best KC-10 Crew" during the 1988 SAC Bombing and Navigation Competition. Assigned to the 452nd Air Refueling Wing (AREFW), March AFB, California, the crew amassed an impressive score of 98.55 out of a possible 100 points.

In March of last year, a Reserve crew from the 459th MAW, Andrews AFB, Maryland, responded to an urgent request to support the deployment of the 82nd Airborne Division into Honduras. This Reserve crew, commanded by Major Tom Carter, flew the first aircraft into Palmerola Air Base, Honduras, in support of JCS Exercise "GOLDEN PHEASANT."

Crews from six Reserve units supported a critical UN Peacekeeping deployment to Iraq in August of 1988. Known as "OPERATION POST ROAD," we lifted 316 tons of cargo and 170 passengers during this deployment.

In conjunction with proficiency training, our flying units are often requested to provide a variety of humanitarian services. Air Force Reserve units were credited with saving 49 lives in FY 88 while performing over 100 search and rescue missions. During 1988, we transported over 880,000 pounds of humanitarian relief supplies, including 66,000 pounds of life-saving cargo to Jamaica after last year's devastating hurricane.

Most recently, Reserve crews from, Andrews AFB, Maryland, Westover AFB, Massachusetts, and Kelly AFB, Texas were instrumental in flying emergency missions to support the Armenian earthquake relief effort. Our crews became ambassadors of goodwill as they provided vitally needed supplies to survivors of this tragedy.

When we think of the Air Force Reserve, we normally focus on our unit program. It is important to remember that we also have over 12,000 highly trained Individual Mobilization Augmentees (IMAs) who work directly with their active duty counterparts. As but one example of the contributions these IMAs make, the Air Force Systems Command has documented over $178 million in cost savings since 1982 directly attributed to the efforts of their assigned IMAs.

Unique Reserve Missions

The Air Force Reserve has several unique missions. We provide 100% of the DoD fixed-wing, large area aerial spray capability. Additionally, along with the Air National Guard, we provide 100% of the Air Force augmentation to the airborne fire fighting effort of the US Forestry Service. In support of this mission, the 943rd TAG from March AFB, California dropped over 498,000 gallons of fire retardant during 166 missions as they helped firefighters battle the raging forest fires in our western states this past year.

APPROPRIATIONS

The Air Force Reserve is programmed for 177 mission support and 58 flying units in FY 90. The Air Force Operation and Maintenance (O&M) appropriation provides for the day-to-day operating expenses of Reserve bases and units. It includes civilian personnel pay, aviation and ground fuels, depot maintenance, real property maintenance, and supplies. This appropriation decreases in FY 90 by $64.1 million, a program reduction of 7.5%.

The O&M increases in FY 90 occur primarily in F-16 Tactical Fighters ($17 million), KC-135 robusting ($3.2 million), and price growth ($16.6 million). Major program reductions include C-130 Tactical Airlift (-$9.7 million); C-141 associate proficiency sortie flying hours (-$7.5 million); C-5 associate proficiency sortie flying hours (-$6.7 million); and civilian workyear levels and contract funding for maintenance and repair of facilities
(-$12.3 million). The depot maintenance program drops $33.8 million while base operating support funding decreases by $2.1 million.

The Reserve Personnel, Air Force (RP,AF) appropriation provides for the pay and allowances of Reservists during training, while performing special tours of active duty, and while in school. It also includes funding for full-time Reservist support of the Reserve program as well as students participating in junior and senior Reserve Officer Training Corps (ROTC) programs and the Armed Forces Health Professions Scholarship program. This appropriation increases by $14.3 million in FY 90.

The RP,AF increases in FY 90 occur primarily in pay raises ($21.7 million), support for F-16 aircraft ($10.1 million) and support for KC-135 robusting ($2.5 million). Decreases occur primarily in revised retired pay accrual rates (-$46.9 million)

As a final observation on appropriations, the FY 90 budget request significantly reduces funding for military construction. Until the last few years, this program was considerably underfunded and did not allow for timely replacement and/or repair of World War II facilities. Although we are receiving our fair share to meet current construction requirements, we are not able to address the considerable backlog of facility requirements that resulted from previous shortfalls.

CONCLUSION

In summary, the combat readiness and war fighting capability of the Air Force Reserve are vital elements within the Total Force. Modernization and readiness training continue to be our primary concerns as we strive to maximize our ability to defend this nation during a time of reduced defense spending.

We are proud of what we have accomplished in 1988. We owe a special vote of thanks to our families and employers who supported the men and women of the Air Force Reserve and made their achievements possible. We heartily acknowledge the combined efforts of the Reservist, family, and civilian employer which enable us to provide our services to the Air Force and to our country. Without this teamwork, the absences from home and office, attendance at frequent training activities, and all-hour availability would be impossible to endure. Finally, the superb support Congress has seen fit to provide to Reservists, their families, and employers is essential, reassuring, and gratifying. I remain confident this momentum will prevail in the 101st Congress.

This concludes my prepared statement, Mister Chairman. I am ready to respond to your questions.

Mr. MURTHA. General Killey.

SUMMARY STATEMENT OF GENERAL KILLEY

General KILLEY. Mr. Chairman, I would like to thank you for the opportunity to appear before your committee today to report to you on the status of the Air National Guard and to discuss with you some of the challenges that we face today.

As the newly appointed Director of the Air National Guard, I am pleased to report to you that the Air National Guard is at its highest level of readiness in history.

Our inspections and C ratings are at the highest level.

Our inspections, no unsatisfactory ratings; in fact, 70 percent of our ratings are either excellent or outstanding.

Ninety-five percent of our flying units are either C-1 or C-2.

This is due primarily to the continued support of the Air Force and Congress for programs that allow us to recruit and retain top-quality men and women who perform both our state and our Federal mission, that provide our units with the necessary resources and modern equipment capable of defeating the threat, and provide the realistic training that is absolutely necessary to ensure our people can complete their mission whenever and wherever asked.

In my prepared remarks, I reported to you on the significant accomplishments and activities that the Air National Guard has been involved in over the past year. I am not going to repeat those now, but I can tell you that as a former adjutant general and a former field commander, I must acknowledge that much of the credit must go to my predecessor, Major General Conaway, as the Deputy Director for four years and the Director of the Air National Guard for eight years, he provided us with outstanding leadership.

I will certainly work to continue to develop the programs he has started and I look forward to working with him in his new position as Vice Chief, National Guard Bureau, as he and General Temple lead the National Guard into the next decade.

As we prepare for the next decade, I recognize that we must, now more than ever, use wisely our limited resources to ensure that we get the most return in military capability for the taxpayers' dollars.

This means that we must properly size our units in terms of assigned aircraft to take advantage of the infrastructure currently in place.

Air National Guard aircraft and equipment should be the most modern available to take advantage of lower maintenance and supply costs.

We will continue to encourage our people to take advantage of programs such as the Montgomery G.I. Bill, and support initiatives that encourage young people to join, but more importantly, to stay with the Guard. This will permit us to continue to meet our recruiting and retention goals.

The full-time force continues to be the cornerstone of our overall training program in the Air National Guard, and I am very concerned about the lack of promotion opportunities in our Active Guard/Reserve force needed to make it a career program. In addition our military technician program lags behind the private sector in pay and benefits, especially in high-cost areas.

As a result, we are losing some of our highly experienced full-time people to higher paying career opportunities in the private sector.

Lastly, our people must have quality training to be able to operate and maintain the aircraft and equipment that we have. Mission effectiveness depends on training. Today, Air National Guard men and women are participating in training programs around the world alongside their Active and Reserve counterparts. From basic training to pilot training to technical schools, exercises, and deployments at home and overseas, our training is realistic and carefully tailored to maximize a Guardsmen's time and capability.

Thank you, Mr. Chairman.

I am prepared to answer any questions.

[The statement of General Killey follows:]

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON DEFENSE
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: AIR NATIONAL GUARD

STATEMENT OF: BRIGADIER GENERAL PHILIP G. KILLEY
DIRECTOR, AIR NATIONAL GUARD
UNITED STATES AIR FORCE

APRIL 1989

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON APPOPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

BRIGADIER GENERAL PHILIP G. KILLEY
DIRECTOR, AIR NATIONAL GUARD

General Killey was born in Monmouth, Illinois on Oct 3, 1941. He graduated from Monmouth High School in 1959, and earned a bachelor of arts degree in economics and mathematics from Monmouth College (Illinois) in 1963. His military education includes Squadron Officer School, 1974; and the National Security Management Course, 1984.

The general began his military career when he enlisted in the U.S. Air Force in August 1963. He attended Officer Training School at Lackland Air Force Base, Texas and upon graduation in November 1963 was commissioned a second lieutenant. He attended pilot training at Reese AFB, Texas and received his pilot wings in November 1965. He was then assigned to Eglin Air Force Base, Florida. in August 1965. In May 1967, he was sent to Southeast Asia where he was assigned to the 555th Tactical Fighter Squadron, Ubon Air Base, Thailand, as a combat fighter pilot. He flew 100 combat missions over North Vietnam in the F-4 aircraft. He returned to the United States in February 1968 and was stationed at George Air Force Base, CA where he was assigned as an F-4 instructor pilot. He was separated from the U.S. Air Force in July 1969 and became an airline pilot for Northwest Orient Airlines.

General Killey joined the South Dakota Air National Guard in August 1970 as a squadron fighter pilot and was employed as a full-time air technician flying instructor in March 1973. Since joining the Air National Guard, General Killey has held several positions including Flying Scheduling Officer, Group Weapons Tactics Officer, Chief of Standardization and Evaluation, and Deputy Commander for Operations. He was appointed Commander of the 114th Tactical Fighter Group in August 1983, the position he held upon his appointment as Adjutant General for South Dakota on March 16, 1987.

General Killey is a command pilot with more than 5,000 hours of flying time in the T-37, F-4C/D/E, F-100D/F and the A-7D/K aircraft. He is currently qualified in the F16-A/B aircraft. His awards and decorations include the Legion of Merit with One Oak Leaf Cluster, Distinguished Flying Cross, Meritorious Service Medal, Air Medal with two Oak Leaf clusters, Combat Readiness Medal with four oak leaf clusters, Vietnam Service Medal with one service star, National Defense Service Medal, Air Force Overseas Short Tour Ribbon, Air Force Longevity Service Ribbon, Armed Forces Reserve Medal, Small Arms Expert Marksmanship Ribbon, Vietnam Gallantry Cross with palm and the Republic of Vietnam Campaign Medal. Under General Killey's leadership, the 114th Tactical Fighter Group was awarded its second Air Force Outstanding Unit Award (1985) and the Winston P. Wilson Trophy as the most outstanding Fighter/Reconnaissance Unit in the Air National Guard (1984).

General Killey was promoted to Brigadier General and federally recognized on 2 Feb 1988.

The general is married to the former Ellen Davis of Phoenix, Arizona. The Killey's live in Alexandria, Virginia.

AIR NATIONAL GUARD

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, as the newly appointed Director of the Air National Guard (ANG), I am pleased to have the opportunity to appear before this committee and report to you on our status.

The Air National Guard (ANG) is unique among the world's reserve military air forces in that we perform both a state and a federal mission. We provide the states with a disciplined force trained and equipped to protect life and property during natural disasters, civil disorders and other emergencies; we also provide the nation with an effective, economical military force for the national defense. The continued modernization of our aircraft and equipment is essential in maintaining the high standards we have established in performing these dual missions.

STATE MISSION

The State mission of the Air National Guard is to provide assistance to civil authorities during periods of domestic emergency. During FY 1988, 500 Air National Guard men and women expended nearly 5,800 workdays performing missions involving humanitarian support following natural disasters, search and rescue operations, airborne fire fighting support, emergency power and water supply, and evacuation of critically ill or injured persons.

In response to a Congressional mandate, the Air National Guard supported federal, state, and local law enforcement agencies in the war against drugs. This support, conducted primarily during scheduled training, included radar and visual surveillance of suspected drug trafficking aircraft and vessels, air transportation of law enforcement officials, and the load of specialized equipment.

FEDERAL MISSION

Our Federal mission is to train combat flying units, combat support units, and the personnel needed to support wartime requirements. As a full partner with the Air Force, we perform operational peacetime missions at home and oversees that are compatible with our training and mobilization readiness objectives. We train to fight and win.

As an integral part of this Nation's Total Force, we maintain readiness through diligent peacetime training in all aspects of our wartime missions. Under the Total Force policy which integrates the active duty, National Guard, and reserve components into a single military force, American places increasing reliance on the Air National Guard in meeting national defense objectives. An indication of this greater reliance is found in the proportion of the FY 1990 force structure entrusted to us:

Tactical Fighters: The Air National Guard will provide over 24% of the Air Force's tactical fighter assets in FY 1990 ranging from the F-4 Phantom to the F-15 Eagle and the F-16 Fighting Falcon. Of the thirteen A-7D squadrons, three are equipped with low altitude night attack (LANA) capability.

Strategic Interceptors: The Air National Guard is the primary partner in aerospace defense, and will be supporting over 90% of the Continental United States peacetime alert in FY 1990. Our forces will account for 21 of 23 continental air defense alert locations, providing the North American Aerospace Defense Command (NORAD) its core fighting force. Additionally, peacetime air defense forces are provided to NORAD by Louisiana ANG F-15s, and to the Pacific Air Command by Hawaii ANG F-15s helping to defend America's southern and western flanks.

Tactical Reconnaissance: The Air National Guard RF-4C reconnaissance force makes up 49% of the total Air Force tactical reconnaissance capability.

Tactical Air Support: Approximately 42% of the Air Force's tactical air support will come from Air National Guard OA-10 and OA-37 squadrons. Additionally, we will provide three air support operations centers, 60 tactical air control elements, and 40 air liaison officers to priority Army Guard and Reserve maneuver units.

Tactical Airlift: With 36% of the total tactical airlift forces, the Air National Guard will continue to provide substantial airlift support, including joint airborne/air transportability training; airdrop and airland delivery of troops; equipment and supplies; as well as a tactical aeromedical evacuation capability.

Strategic Airlift: One Air National Guard C-141 unit and one C-5A unit continue to provide a significant contribution toward meeting the strategic airlift requirements of the Air Force.

Aerial Refueling: The 13 Air National Guard air refueling units with 118 KC-135s comprise 19% of the Air Force's air refueling assets. Capable of immediate response to tasking, 19 tankers are on alert prepared to support Strategic Air Command's single Integrated Operational Plan (SIOP).

Aerospace Rescue and Recovery: Three Air National Guard combat rescue units make up 23% of the Air Force rescue and recovery capability. Our newest unit, the 210th Aerospace Rescue and Recovery Squadron in Alaska, will possess four new MH-60G helicopters and two HC-130 tankers. The other two units, also modernizing with the MH-60G helicopters, support the space shuttle program as a unique part of their rescue mission. All three units train for war while providing peacetime rescue and recovery for both military and civil emergencies.

Operational Support Aircraft: The Air National Guard's Operational Support Aircraft (OSA) fleet is wartime tasked. OSA operates in peacetime as an integral part of the Military Airlift Command's (MAC) support airlift system.

Electronic Combat: We continue to upgrade the electronic combat capability of the eight EC-130E aircraft assigned to the Pennsylvania Air National Guard.

FLYING UNITS

With over 1,700 aircraft, Air National Guard flying units perform a variety of missions throughout the spectrum of Air Force missions. Our 91 major flying units are listed by mission area in Table 1.

While the structure of our flying units remains stable at 24 wings and 67 groups, over one third of our units will undergo aircraft modernization by the end of FY 1991. In addition, several units will assume new roles or missions. Table 2 lists those ANG units which will change their assigned aircraft forces during the fiscal year indicated.

MISSION SUPPORT UNITS

The combat effectiveness of the Air National Guard flying mission is directly dependent on the mission support provided by the non-flying units. We have 283 geographically separate or separately deployable units which provide communications, weather, and civil engineering support to the active Air Force, Army, and reserve components. An additional 307 units are collocated and integrated with our flying units to provide primarily medical, security, and aerial port support. Table 3 shows our current mission support units.

We are undertaking a medical service expansion in response to the second echelon (2E) requirements. The 2E is the first opportunity for battle casualties to receive medical care. This care, primarily stabilization, will return wounded soldiers to duty or prepare them for evacuation to the next higher echelon of support where definitive medical/surgical intervention will be available. Our 67 medical units that are identified with second echelon (2E) tasking represent 48% of the total force 2E capability in event of full mobilization. The cornerstone of 2E medical treatment is the Survivable Collective Protection System - Medical (SCPS-M). The Air Force Surgeon General provided the medical service of the Air National Guard with the prototype model of the SCPS-M, a state of the art medical readiness training platform currently located at the Air National Guard Field Training Site in Alpena, Michigan. The SCPS-M is in place and should be prepared (with full-time training personnel) to receive incoming 2E tasked Air National Guard and Air Force Reserve medical units this summer. This Air National Guard asset is one of only two that will be located within the Continental United States, attesting to the active force confidence in our medical service. Fifteen medical and ten aeromedical evacuation units deployed a total of 791 personnel to overseas locations during FY 1988. These deployments were in response to Joint Chiefs of Staff exercises, major command taskings and overseas annual training initiatives locations in Europe, Korea, Honduras, and Africa.

Our 98 civil engineering (CE) units - specifically four civil engineering heavy repair (RED HORSE) units, three major command/numbered air force staff augmentation flights, and 91 civil engineering squadrons - are trained and equipped to accomplish such tasks as wartime theater construction management for rapid runway repair, force beddown and base recovery, and major heavy repair. Civil engineering squadrons receive "Base Recovery After Attack Training" at Elgin AFB, Florida. Peacetime alteration and repair projects at locations throughout the world sharpen wartime skills and result in the completion of urgently needed projects for both active and reserve component units.

An important part of our support comes from our 154 service elements, trained to provide the vital wartime services of billeting, food service, laundry, and mortuary affairs. They participate in many Continental United States and overseas field exercises.

Forty-four independent combat communications units are equipped and staffed to support the Defense Communications System, Tactical Air Forces, Special Operations Command, Central Command, and the Joint Task Forces. They are tasked to provide specific communications service to deployed commanders and terminal air traffic control facilities.

We have 30 tactical control units (3 groups, 9 squadrons and 18 flights) operating mobile radar control and reporting centers in addition to providing forward air control posts. These rapid reaction units are a critical link in the war against drugs.

Nineteen engineering installation (EI) squadrons are equipped and trained to install, relocate, remove, restore and accomplish on-site depot level maintenance on radars, antennas, cable plants, radios, teletype, and communications centers. These units represent a significant part of the total Air Force capability and each year accomplish a major portion of the total Air Force peacetime EI workload.

We have three aircraft control and warning squadrons and one detachment which provide air surveillance radar coverage and aircraft control capability for Hawaii and Puerto Rico. The Hawaii Regional Operational Control Center (HIROCC) is operated and maintained completely by Air National Guard personnel and performs the air defense surveillance mission for the Hawaiian Islands.

Three new communication squadrons have recently been activated in direct support of the North Atlantic Treaty Organization (NATO). The NATO Air Base Squadrons (NABS) provide survivable and reliable voice and teletype communications, primarily for command and control as well as logistics in the Central European Theater of Operations. This communication system is a joint United States Air Force and NATO program.

Our 23 aerial port units are equipped, trained, and ready to perform sustained operations in either a mobile environment supporting air-land operations in high threat areas with non-fixed air terminals, or in strategic role supporting airlift operations at established airfields. Each mobile aerial port possesses its own communication, vehicle maintenance, joint airdrop, and self-defense capabilities and is capable of deploying as a self-contained units.

We recently broke ground for the Congressionally approved construction of new facilities at the I.G. Brown Air National Guard Professional Military Education Center (PMEC) at Knoxville, Tennessee. This Center continues to provide outstanding training for the men and women of the Air National Guard, Air Force Reserve, and the United States Air Force. Last year the PMEC trained approximately 3,000 people, half of whom were Non-Commissioned Officers essential to the Air National Guard's ability to remain ready. Another 1,000 were trained in their specialty or functional areas, thereby contributing directly to a more cost effective and mission efficient Air National Guard. The remaining students entered the ANG officer corps to begin service as the future leaders of our force. They represent our investment in the Air National Guard's future, for they will become the senior leaders of th 21st century. We are proud of the accomplishments of PMEC and recognize its value to both the military and the civilian communities of today's citizen airman.

In addition to PMEC, we are starting a Professional Continuing Education Center (PCEC) at Knoxville. It will provide information systems training for all our personnel.

Our remaining mission support units consist of security flights and information support flights at flying units, state headquarters elements, field training sites, airlift support detachments, and weather units. These elements fully complement the flying missions.

Like their flying unit counterparts, mission support units contribute heavily to the total Air Force combat capability. At the end of FY 1990, the Air Guard will maintain 83% of tactical control forces, 69% of engineering and installations forces, 67% of the aircraft control and warning forces, 67% of the Air Force combat communications forces, 26% of the civil engineering forces, 24% of authorized aeromedical evacuation crews, 14% of the weather reporting and forecasting forces, and 13% of aerial port forces.

MORE THAN PART-TIMERS

Today's Air National Guard is a national resource responsive to a far more intense economic and geo-political environment than ever before. No longer are we merely "weekend warriors."

Our mature combat forces performs many round-the-clock missions traditionally reserved for the active duty Air Force. Air National Guard A-7s are on constant alert in Panama ready to defend the Panama Canal. The full-time air defense and strategic alert performed by our fighter interceptor and tanker crews are vitally important to America's immediate continental air defense and strategic deterrence requirements.

We share with the Air Force Reserve a full time responsibility for tactical airlift in the southern region. Our specially equipped LC-130s are the only ski-equipped airlift capability for icecap resupply in the Air Force. Our C-141 and C-5 units share the peacetime strategic airlift mission with the Air Force. Of special significance, the second Air Force Armenian earthquake relief mission was flown by a Mississippi Air National Guard C-141 aircrew. The majority of humanitarian missions to Soviet Armenia were flown by the Air National Guard and the Air Force Reserve.

We are especially proud of our aircrew training schools. The three advanced fighter and interceptor schools at Kingsley Field, Oregon; Tucson, Arizona; and McConnell AFB, Kansas, provide combat-ready fighter pilots for our F-16s, A-7s and F-4s. Active duty and Air National Guard RF-4 crews receive tactical reconnaissance training at our RF-4 schoolhouse at Boise, Idaho. At Little Rock AFB, Arkansas, the Guard C-130 instructors provide the first C-130 flight training for about one fourth of the Total Force C-130 crews produced each year. As policy makers continue to review defense requirements, the Air National Guard stands ready to meet the challenges given to us.

TRAINING, EXERCISES AND DEPLOYMENTS

In peacetime environment, the primary role of the Air National Guard is to train for its wartime mission. We train with other active and reserve components in overseas deployments, Joint Chiefs of Staff (JCS) exercises, Air Force Training exercises, and Air National Guard-sponsored Composite Force Training exercises. Increased participation in joint exercises has enriched our training and reinforced the Total Force policy.

Our overseas deployments move units to theater locations throughout the world for short periods of time. These deployments provide our members with realistic, theater-specific training. Since airlift accounts for more than 90% of deployment costs, we have exercised several concepts in order to maximize our training dollars. Use of multi-unit deployments, vice single unit, has reduced per unit airlift costs by 20-25%.

During the past year our tanker units deployed aircraft and personnel to Torrejon AB, Spain; Sola, Norway; Andersen AFB, Guam; and Elmendorf AFB, Alaska. Individual Air National Guard tankers deployed to Korea, Japan, Guam, Germany, and the United Kingdom. During these deployments, our aircrews gained valuable experience in European and Pacific theater air refueling tactics while our support personnel became seasoned in unit support operations away from home station. The Air National Guard also supports monthly flight rotation requirements in and out of Panama. In addition to performing aerial refueling, the KC-135Es move personnel and equipment. Our FY 1990 budget request will let us continue to support these valuable training opportunities.

For several weeks this past summer, three ANG A-7 units deployed aircraft and personnel to Spangdahlem AB, Germany, for in-theater training. This exercise, CREEK CORSAIR, provided valuable training for our aircrews and gave our North Atlantic Treaty Organization allies cross training opportunities with A-7 aircraft.

Our ski-equipped C-130 unit at Schenectady, New York, provides the only Air Force capability for transporting oversized cargo to remote radar sites on the Greenland icecap. This Arctic resupply mission, Volant Dew, entails airlift of all fuel, construction items and oversized supplies throughout the year; they support National Science Foundation projects on the icecap and provide search and rescue support when required. In Addition, the unit has just returned from Antartica where they supported the Navy and the National Science Foundation.

In the Southern Command region, Air National Guard civil engineering, medical, and communication personnel regularly deploy for valuable training. The ANG maintains four A-7 aircraft on station at all times in defense of the Panama Canal as mentioned. We also support airlift requirements throughout Central and South America with six C-130 aircraft, a mission we share with the Air Force Reserve.

During FY 1988, our Tactical Airlift units provided 1,451 airframe days and 7,255 flying hours in support of 422 Joint Airborne/Air Transportability Training (JA/ATT) missions. This is an inter-service program for the wartime application of airlift in which the services jointly develop common procedures for combat operations to reach and maintain readiness.

The Air Guard also supports the Army in exercises throughout the world. Joint training programs such as those at the National Training Center at Fort Irwin, California, and the Joint Readiness Training Center at Fort Chaffee, Arkansas, provide training experience for both the Army and Air National Guard. Composite Force Training exercises are conducted throughout the year to sharpen fighting skills and familiarize our personnel with joint operations. These exercises are sponsored and planned by Air Guard flying units, Field Training Sites, and active Air Force units to encompass all mission areas of the Air Guard and are developed for the specific purpose of providing realistic training for all participants.

As a further measure of our global involvement, eight Tactical Fighter and Reconnaissance units participated in overseas deployments to Belgium, Japan, Germany, Norway, England, Iceland, and Turkey during FY 1988. The highlight of these deployments was CORONET CRUSADER, a 12 aircraft, 300-person deployment to Chitose AB, Japan. This was the first deployment to a Japanese defense forces base performed by a Continental United States-based Air Force unit.

Nine fighter/reconnaissance/interceptor units participated in the RED FLAG and MAPLE FLAG programs during FY 1988. Four units deployed to Alaska for the North American Aerospace Defense Command (NORAD)-sponsored AMALGAM WARRIOR 88.

In the past year, our combat communications units deployed more than 1,000 personnel to Europe, Central America, Southwest Asia and Korea. Additionally, hundreds of communications personnel participated in dozens of Continental United States and overseas exercises. The combat readiness of these units will be tested again this year by their participation in 26 exercises and deployments worldwide.

Five of our tactical air control units deployed to Europe during FY 1988, participating in 4 JCS exercises involving more than 550 personnel. eight tactical air control units are scheduled to deploy to Europe in FY 1989 to participate in six Joint Chiefs of Staff exercises.

Our Engineering Installation (EI) units also deployed to Europe and Korea during FY 1988, while our civil engineering and service units participated in Joint Chiefs of Staff, European, Pacific, Alaskan and Southern Command exercises. In addition, our aerial port units deployed 85 teams, consisting of 2,050 personnel, to Military Airlift Command (MAC) overseas and Continental United States ports. This program provided invaluable training for a critical element of MAC's wartime cargo handling capability.

More than 16,000 civil engineering and services personnel routinely deploy to possible wartime theaters of operation to become familiar with local conditions, materials, construction techniques and equipment. Fifty-six percent of our civil engineering and services personnel will deploy overseas this year. Last year, Air National Guard civil engineering personnel supported exercises and United States interests in Central America, the Pacific and Europe. Again in FY 1989, civil engineering and services personnel will deploy to Europe, the Pacific, Central America, Canada, Alaska and numerous locations within Continental United States in support of exercises and deployment requirements. We will rotate eight 50-person civil engineering teams every two weeks to Palmerola AB, Honduras, to perform contingency construction projects in support of Task Force Bravo. Six teams will deploy to Honduras and Costa Rica to engage in Humanitarian/Civic Action (HCA) projects in remote areas of that country. We are currently planning a joint services HCA program in the Caribbean Basin island nations with Army engineers and Navy Seabees, under the umbrella of Unites States Atlantic Command. We are committed to maintaining an aggressive overseas exercise program in FY 1990 to insure that our flying and non-flying units can demonstrate combat capability and have the opportunity to visit the areas of the world where they may be required to fly.

READINESS

Air National Guard units are required to train for and maintain the same readiness standards as their active duty counterparts. One measure of our readiness is the results of Operational Readiness Inspections (ORI) conducted by active Air Force inspection teams. These inspections use realistic wartime scenarios, and provide a true test of the unit's ability to accomplish its wartime tasking. In FY 1988, all of our combat flying units tested passed these inspections, with 70% earning an overall rating of "excellent" or "outstanding."

While we can boast of our inspection records, we still have some readiness shortfalls. One of our greatest needs is for modern equipment. We made progress in FY 1988 by acquiring eight C-130 tactical airlifters and two HC-130 rescue tankers, sixteen MH-60 combat rescue helicopters, four of which will add a much needed capability in the Alaskan theater, and four C-26A aircraft which will modernize our operational support fleet while decreasing operating costs. With FY 1989 dollars we are procuring fourteen C-130Hs to replace aging C-130As, and three additional C-26As to further fill the wartime support airlift shortfall with low-cost, reliable aircraft. The C-26A aircraft is the best equipped and most capable aircraft of its type and was acquired in record time and at the lowest cost.

Yet for all the recent support of Congress we still have some equipment shortages. Some items of our communications equipment need modernization. Our information systems shortfall has been exacerbated by the increase of requirements and of limited funding. The C-130As and C-130Bs have severe supportability problems due to age. We possess the only C-130As and the majority of the C-130Bs in the Air Force inventory. As we move into the F-15, F-16, C-141 and C-5 missions, we are experiencing serious support equipment shortfalls which must continue to receive our special attention. While we are modernizing our fighter force with newer airframes, our fighters are generally early model aircraft that require avionics systems upgrades to be competitive against the current threat. Specifically, we have sought improvements to the F-15 A/B through the Muti-Stage-Improvement-Program (MSIP). MSIP provides significant combat capability enhancement as well as improved maintenance supportability. Though underfunded at this time, we hope to continue with this program and bring the technology level of our aircraft in line with that of the active forces.

We have embarked on modernization, survivability, and combat capability improvements to F-16A/B aircraft that includes threat detection and warning systems, countermeasures dispensing upgrades and enhanced envelope gun sight systems, and avionics upgrades through Mid-Life Update (MLU) technology. We are looking to optimize training in these task intensive systems through Part Task Trainers (PTT). Due to the maintenance-intensive older engines in both our F-15A/Bs and F-16A/Bs we are experiencing problems with adequate numbers of serviceable spares. The remedy to this problem is through retrofit of the older engines to the newer F100-PW-220E configuration. We are working this approach with the other units of the Tactical Air Force that are also experiencing these problems.

Our tactical and strategic airlift forces have no electronic capability for threat detection and no self-protection systems to ensure completion of their assigned worldwide missions. In an effort to remedy this problem, we are actively participating with other major commands who are examining these problem shortfalls while emphasizing commonality within the airlift fleet. In FY 1990 we hope to begin an effort, starting with our tactical C-130 aircraft, to field an airlift defensive suite.

COMPETITION

Competition among similar units provides an opportunity to compare our skills with those of the other components and to assess our ability to meet the task of a wartime mission. Some of the competitive events we participated in during FY 1988 are highlighted in the following paragraphs.

Four of our units participated in Reconnaissance Air Meet '88 (RAM '88) at Bergstrom AFB, TX, in August 1988. Sponsored by Tactical Air Command, this reconnaissance competition is held every two years to demonstrate the capabilities of reconnaissance forces of the United States and those of our Allies. While the "Top Unit" Award went to the unit representing United Stated Air Forces in Europe, the Nevada Air National Guard was second, with our teams holding four of the top seven spots. The top Maintenance Award went to the Nebraska Air National Guard, and they also won the Top Imagery Interpreter Award.

Four Air National Guard units competed in the biennial Air Defense competition, William Tell '88, held at Tyndall AFB, Florida, in October 1988. While three of the units were flying outdated F-4 Phantoms against F-15 Eagles, the Oregon Air National Guard finished ahead of two F-15 Squadrons in their F-4's.

The 129th Air Rescue and Reconnaissance Group, Moffett Field, California, won the coveted Pitsenbarger Award for the most outstanding pararescue section in the Air Force. Pararescue personnel have the longest training program and one of the most demanding jobs keeping current in medical skills, flying, parachuting and scuba training. This unit repeatedly demonstrated their outstanding performances form the North Atlantic to the Sierras of California in 20 missions which saved 21 lives.

MANPOWER

The single most important ingredient in readiness is manpower. Manpower levels of the Air National Guard have grown substantially over the last decade and are indicative of the missions being transferred from the active Air Force to the Guard and Reserve components. Our FY 1990 end strength of 116,300 is 1,325 above our FY 1989 level. The majority of the programmed growth is to support increases in the medical and security functional areas.

Full-time manpower is vital to the success of our mission and consists of a mix of Title 32 military technicians, Active Guard/Reserve (AGR) personnel and Title 5 civilians. The military technicians and AGR personnel are highly trained cadre who accomplish the day-to-day workload and are the backbone and the reason for the high state of operational readiness enjoyed today. The majority of our military technicians are in maintenance and support functions. Flying training instruction, security, field training sites, ranges, detached alerts, recruiting, retention and other military functions are performed by AGR personnel. Title 5 civilians are employed at the Headquarter and at those bases where the Air National Guard has been designated as the host.

The revised recruiting goal for FY 1988 of 115,000 was exceeded by 221. For FY 1989, our total end strength authorized by Congress was 115,200; now however, due to our funding priorities our end strength has been reduced to 114,975.

We have prioritized recruiting efforts to fill critical skill positions before other existing or projected vacancies whenever possible. Our bonus and incentive funds are directed at traditionally hard to fill positions and those identified as critical for wartime taskings. The Montgomery GI Bill (MGIB) continues to be the single most successful inducement to recruit and retain members in the Air National Guard. Six year commitments, a prerequisite for MGIB eligibility, have increases in both new enlistments and reenlistments. This provides force stability which reduces training costs and improves unit combat readiness.

Prior service personnel still account for approximately 60% of our accessions and continue to provide savings in basic military training and initial skills training. Although we are able to use these trained and experienced personnel to improve unit combat readiness, we find that many lower grade positions in our units remain vacant. We also experience difficulty in offering prior service personnel the grade advancement opportunities necessary for retention beyond their initial enlistment with the Air National Guard.

MANPOWER PROBLEM AREAS

A serious problem facing the Air National Guard is the Active Guard/Reserve (AGR) grade ceiling. The AGR program was begun in FY 1979 as a test program. At the current time we have about 8,000 people involved. In FY 1988 our requested grade ceiling levels were reduced and in FY 1989 all increases over the FY 1988 level were disallowed. Many of our highly qualified flying training instructors are now leaving the AGR program to fly with the airlines because they view the AGR program as unstable and their chances for promotion slim. This program was established as a career incentive less than ten years ago. It must be allowed to mature, and when warranted, those holding validated higher graded positions should be promoted as they become eligible.

PERSONNEL LEGISLATION

An area of significant legislation that will impact personnel management within the Air National Guard is the Reserve Officers Personnel Management Act (ROPMA).

ROPMA, introduced to the 100th Congress, has met with little to no success. We ask that you consider and adopt this important legislation, which will soon be submitted to the 101st Congress, that will enhance the management and readiness of the Air National Guard officer corps.

FORCE MIX

The current forces structure within the United States Air Force, Air National Guard, and the Air Force Reserve is a result of many years of programming and planning to develop the best blue suit mix to ensure the security of our nation and our commitment to the free world.

Many questions are being raised regarding the future role of the Air National Guard and the desirability of accepting more missions. If the threat within the world changes to the point where force mix changes are warranted, the Air National Guard position is that modernization and robusting of existing units is our preferred method of satisfying these changes in responsibility.

FY 1990/91 PRESIDENT'S BUDGET

Our request for FY 1990 provides the minimum funding necessary to sustain the combat capability and cost effectiveness of today's Air National Guard. By any measure, we are more combat ready today and provide more combat capability for our nation's defense than ever before. This is due to the high experience level of our personnel, the stability in our units, the quality and intensity of our training programs and the modernization of our equipment. Within today's fiscally constrained environment, I believe that the Air National Guard, among all military components, provides the greatest return in capability for the taxpayer's dollar. With 3.3% of the Air Force budget we provide over 90% of the air defense of America, 36% of the tactical airlift capability, and 24% of the tactical fighter capability. In FY 1990, we will log over 440,000 flying hours, participate in military exercises around the world, training with all services, and convert a third of our flying units to more modern equipment.

The "Operation and Maintenance-ANG" appropriation supports the day-to-day operations of all Air National Guard units. Major items funded by this appropriation are payroll costs for military technicians and civilian personnel, flying hours, depot maintenance of aircraft and equipment, real property maintenance, and the day-to-day supplies and services necessary during the normal course of operations.

The "National Guard Personnel-Air Force" appropriation funds the personnel costs of all Air National Guard members, the school and special training programs, subsistence and clothing costs, disability and hospitalization benefits, incentive payments, educational benefits, and retired pay accrual costs.

The "Military Construction-ANG" appropriation funds minor and major construction projects at our facilities as well as planning and design funds for future construction projects.

The following chart compares the FY 1989 funded position, and the FY 1990 and FY 1991 projections for the three major ANG appropriations:

(Dollars in Millions)

Item	FY 1989	FY 1990	FY 1991
Operation & Maintenance, ANG	$2,017.6	$2,055.8	$2,184.9
National Guard Personnel, AF	1,029.6	1,047.0	1,087.9
Military Construction, ANG	158.5	164.6	107.2
TOTAL	$3,205.7	$3,267.4	$3,380.0

CONCLUSION

The Air National Guard is an integral part of the Total Force. We continue our support of national security objectives while providing a militia uniquely qualified for our states' needs. Our responsibilities are global, national and local in scope, each offering its own set of challenges for the future.

The Air National Guard is successfully meeting the challenges we have presented. The capability of our citizen airmen to respond to the most demanding wartime missions is a matter of record. We appreciate, and need, the continued strong support of the Congress, permitting the Air National Guard to continue modernization and to significantly progress toward our mandate of strength through readiness.

Mr. Chairman, this concludes my prepared statement and I will be pleased to answer any questions from you or members of your distinguished committee.

TABLE 1

MAJOR FLYING UNITS OF THE AIR NATIONAL GUARD

Mission	No. of Units	Type of Aircraft
Tactical Fighter	33	A-7, A-10, F-4, F-15, F-16
Tactical Airlift	20	C-130
Aerial Refueling	12	KC-135E
Air Defense	12	F-4, F-15, F-16
Tactical Reconnaissance	5	RF-4C
Tactical Air Support	4	OA-37, OA-10
Rescue and Recovery	2	HC-130, HH-3, MH-60G
Strategic Airlift	2	C-141, C-5
Special Operations	1	EC-130E

TABLE 2

CONVERSION/MODERNIZATION SCHEDULE OF THE AIR NATIONAL GUARD

Unit	Action	IN FY
Dannelly Fld, AL	-18 F-4D; +18 F-16A/B	89
Kingsley Fld, OR	-18 F-4C; +18 F-16A/B	89
Stewart, NY	+3 C-5A (to 11 PAA)	89
McConnell, KS (RTU)	-36 F-4D; +36 F-16A/B	89
Hancock Fld, NY	-24 A-10; +18 F-16A/B	89
Willow Grove, PA	-18 OA-37; +18 OA-10	89
Fresno, CA	-18 F-4D; +18 F-16 A/B	89
Louisville, KY	+4 C-130B	90
Portland, OR	-18 F-4C; +18 F-15A/B	90
Ellington Fld, TX	-18 F-4D; +18 F-16A/B	90
Fargo, ND	-18 F-4D; +18 F-16A/B	90
Duluth, MN	-18 F-4D; +18 F-16A/B	90
Selfridge, MI	-18 F-4D; +18 F-16A/B	90
Andrews AFB, MD	-24 F-4D; +18 F-16A/B	90
Springfield, IL	-24 F-4D; +18 F-16A/B	90
McGuire AFB, NJ	-18 F-4E; +18 F-16A/B	90
March AFB, CA	-24 F-4E; +18 OA-10	90
Eielson, AK	+4 KC-135E	90
Rickenbacker, OH	+2 KC-135E	90
Phoenix, AZ	+2 KC-135E	90
Suffolk Co, NY	-1 HC-130P, -5HH-3E; +5 MH-60G	90
Moffett, CA	-1 CH-3 .	90
Elmendorf AFB, AK	+4 MH-60G	90
Nashville, TN	-16 C-130A; +8 C-130H	90
Quonset PT, RI	-8 C-130A; +8 C-130E	90
Baltimore, MD	-8 C-130B; +8 C-130E	90
Martinsburg, WV	-12 C-130B; +12 C-130E	90
Channel Island, CA	-4 C-130E	90
Niagara Falls, NY	-18 F-4D; +18 F-16A/B	91
McConnell, KS (RTU)	+18 F-16	91
Memphis, TN	-8 C-130A; +8 C-141B	91
Moffett, CA	-4 HH3E; +4 MH60G	91
Elmendorf, AK	+2 HC-130N	91

TABLE 3

MISSION SUPPORT UNITS OF THE AIR NATIONAL GUARD

Type of Unit/Mission	Number of Units
Medical	101

Civil Engineering	98
Security	89
Communications Flights	41
Combat Communications	44
Tactical Control Units	30
Engineering Installations	19
Air Traffic Control Units	8
Aircraft Control & Warning	3
Joint Communications Support Squadron	2
Range Control	1
NATO Air Base SATCOM Squadron	3
Direct Air Support Center Squadrons	2
Communications/Electronics Maintenance Squadrons	2
Weather	39
Aerial Port	22
Reconnaissance Technical	2
State Headquarters Elements	54
Bands	12
Permanent Field Training Sites	4
Field Training Flight	1
Tower Operations	1
Airlift Support	2
ANG Host Bases (BOS)	5
Air Base Group (Guam)	1
Electronic Security Squadron	1
Tactical Air Control Party Flight (TACPF)	1
Air Support Operations Center Squadron (ASOCS)	1
Professional Military Education Center	1
TOTAL	590

READINESS—AIR FORCE RESERVE

Mr. **Murtha**. As I understand it, the Air Force Reserve has less problems than most of the other units.

For instance, you have no recruiting problem; is that accurate?

General **Scheer**. That is accurate, Mr. Chairman.

We have met our recruiting goals for the last ten or eleven years, so as of now, it is fine.

Mr. **Murtha**. Are you losing pilots to the airlines at all?

General **Scheer**. We are not. We are losing some of our full-timers to the airlines.

Mr. Chairman, Our full-time people are all civil service and they don't——

Mr. **Murtha**. You have a waiting list to become a reservist as far as pilots go, but your full-timers are going to the airlines?

General **Scheer**. Yes, sir.

Mr. **Murtha**. They are probably trying to get into the Reserves themselves as a drilling member.

General **Scheer**. That is correct.

Mr. **Murtha**. How about O&M dollars for the required training support?

You said you are in the best shape you have ever been, but I can't believe that you are not going to have O&M funding problems down the road.

General **Scheer**. For 1990, we have a significant decrease in O&M program growth 7.5 percent, so that will require a reduced force structure and increased backlog in depot and facilities maintenance and depressed funding in the spares and equipment area.

Mr. **Murtha**. Will you be able to keep the flying hours at a level where you won't experience an increased accident rate?

General **Scheer**. We will have to reduce force structure and part of the flying hour program for that force structure.

Mr. **Murtha**. So as more and more missions are being transferred to the Reserve and National Guard, the amount of money available to you is being reduced.

Has the Air Force Reserve received increased missions?

General **Scheer**. Over three years, we have grown significantly. For the last five years, we have probably grown 30, 40 percent.

Between 1989 and 1990, we will see some reduction in our existing force structure, but as I said over the past years, we have experienced a growth.

READINESS—AIR NATIONAL GUARD

General **Killey**. I would like to comment on a couple of your questions.

As far as recruiting strength, the Air National Guard has met its program strength every time, but I will admit that it is becoming more and more difficult, as programmed end strength increases, particularly in the higher cost areas where unemployment is lower.

We do have some problems.

On our full-time personnel side, we say we have some of our pilots going to the airlines. I don't want to give you the opinion that all of our full-time people are going to the airlines, because they are not. I think our pilot program is in outstanding shape.

We do have some things to fix.

On the O&M side, we are in good shape. If we get what we are programmed for the next two years, we should be able to execute the training that we need to stay at today's level of readiness.

EQUIPMENT—AIR NATIONAL GUARD

Mr. MURTHA. Do you have any equipment shortfalls which are not in the budget?

General KILLEY. Yes.

Mr. MURTHA. What are they?

General KILLEY. First of all, we want to continue the modernization of our equipment, our F–16s, our F–15s, our new C–130Hs and C–26 support aircraft, particularly our F–15s and F–16s, which are our older airplanes. The F–15s are an average of 14 years old and they need modernizing to meet the current threat and to be compatible with the Air Force F–15s.

We have a program called the Multi-Stage Improvement Program which the Air Force is funding and we are concerned right now that our priority is not high enough to be able to get those aircraft modernized in a timely manner. So that is a big concern of mine.

In addition, our F–16 aircraft face a similar situation. They are also the older F–16s and we need to modernize them the same as we do the F–15s to ensure that they are capable of meeting the threat and are compatible with our Air Force aircraft.

Mr. MURTHA. A couple of years ago, the Air National Guard or the Air Force Reserve won the national competition. How did you fare this last year?

General KILLEY. There are a lot of competitions every year. In the fighter business, there is a Gunsmoke competition every other year with the general purpose attack airplanes that drop munitions, and in the air superiority arena there is a William Tell competition. We also have competitions for our reconnaissance forces, as well as our airlift forces.

So every year there is competition and we fare extremely well in all of those competitions, particularly considering some of the older equipment that we are operating and the part-time nature of our force—the availability of our people to train on a surge-type basis in preparation for those competitions.

Mr. MURTHA. Mr. Dicks?

NORTH AMERICAN AEROSPACE DEFENSE

Mr. DICKS. You mention in your statement regarding the National Guard that you perform 98 percent of the NORAD mission.

General KILLEY. Right now, we have 12 units that perform the strategic defense of the United States.

In fiscal year 1990, there will be one unit left in the active Air Force, so we are looking at approximately 90 percent.

Mr. DICKS. How do you do that?

General KILLEY. How do we perform that large a percentage of the mission?

Mr. DICKS. Yes.

General KILLEY. That is a mission that has been kind of the backbone of the National Guard almost since our conception. It does require a higher activity level.

Mr. DICKS. Are these done by full-time people, pilots?

General KILLEY. Not all of them.

We have more full-time people in those units than we do in a general-purpose unit.

Mr. DICKS. You can't call a guy at work and say, "Come on down now. We have a Soviet plane in U.S. airspace."

General KILLEY. We have people around the clock and they schedule that out. Many of our part-time pilots are airline pilots who have days off and they will schedule their alert time accordingly. The units know who is going to be pulling alert throughout the month. We have a larger portion of full-time people in that mission than a normal Guard unit.

The same applies to our tanker units that sit alert for our Strategic Integrated Operations Plan or SIOP, alert and our conventional mission alert in the tanker world.

CLOSE AIR SUPPORT

Mr. DICKS. What is the current mix of close air support forces between the active and Reserve components?

General KILLEY. The Reserve component close air support forces make up 61 percent of the Air Force's close air support forces. This percentage include Air National Gaurd's A-7s, A-10s and close air support F-16s.

Mr. DICKS. Is consideration being given to expanding the Reserve component of the close air support mission?

General KILLEY. I think that is being considered at this time.

However, I would like to say that I would not like to have any mission that is a unique mission of the Air National Guard or the Air Force Reserve, just like we would not like to have unique weapon systems.

We need the Air Force to be involved in all of the Air National Guard Force missions to insure their support in that mission and associated equipment.

Mr. DICKS. What kind of planes are you using; A-10s?

General KILLEY. Right now, A-10s and A-7s. We are coming on board with F-16s, which as we produce the later versions of F-16s they will be A-16s, and the future of the A-7 is being determined shortly.

We are either going to improve those aircraft by modernizing them or replace them with F-16 aircraft that will be dedicated to close air support as well as interdiction.

Mr. DICKS. I understand that the Washington Air National Guard has submitted a proposal for creation of a close air support squadron which has been strongly supported by the Army, by I-Corps and, as I understand, also by FORSCOM.

I would appreciate you maybe commenting for the record.

We happen to think that when you look at the cooperation we have had out there between the Guard and the regular forces, this would be an ideal way to enhance training, both at Fort Lewis and at the Yakima Firing Range.

General **Killey**. The Air Force, Air National Guard and Air Force Reserve are committed to close air support for the Army.

I-Corps is an area for which we have a large requirement. For that area, we do have a void of that type of aircraft to employ.

So in the future, if there is force structure that becomes available of the close air support nature, that would have a high priority of being placed in that area, particularly in light of the facilities that could possibly be made available at McCord.

However, I would like to qualify that by saying force mix decisions must be made very cautiously. If we do increase mission or force mix towards the Reserve component, it must be done very wisely, and, of course, military strategy has to be considered. That strategy should be based on the real threat and not the perceived threat.

As the world situation changes, if the real threat does indeed change and we are able to reduce our overseas basing and bring it home, then we can consider placing that force structure into the Reserve component.

But as long as the real threat stays the way it is today, I think we might be a bit foolish to reduce our forward basing based on the perceived threat.

Mr. **Dicks**. Thank you, Mr. Chairman.

Mr. **Murtha**. Mr. Hefner?

Mr. **Hefner**. No questions.

MH-60G HELICOPTERS

Mr. **Murtha**. Mr. AuCoin has several question he would like answered for the record.

[**Clerk's note**.—Questions submitted by Mr. AuCoin and the answers thereto follow:]

Question. Last year we added 12 additional MH-60G helicopters to the procurement budget. During the appropriations conference, we transferred 3 of those aircraft to the active forces. I understand that 6 of the 9 aircraft will be going to the unit in Portland, Oregon. I sincerely appreciate your decision and support of that fine unit.

I understand that you need 16 or more MH-60's to complete the modernization of the units. How much money would that take?

General **Scheer**. $151 million for the aircraft, refueling modifications, additional electronics, initial spare parts, and ground support equipment.

Question. Where would these 16 aircraft be stationed and how many would be at each location?

General **Scheer**. 3 to Portland for a total of 9 (8 PAA plus 1 BAI); 2 to Homestead AFB, Florida for a total of 5 (4 PAA plus 1 BAI); 5 to Selfridge ANGB, Michigan for a total of 5 (4 PAA plus 1 BAI); 6 to Davis-Monthan AFB, Arizona for a total of 6 (5 PAA plus 1 BAI).

I would like to add that the six aircraft for the 71st Special Operations Squadron at Davis-Monthan AFB should have an additional set of modifications installed to make them compatible with the assigned mission of that unit, and that we have been told that the configuration/designation of the MH-60 may change next year because of upgrades to the gearbox and engine. All of that is incorporated in the estimate of $151 million. Because of the differences, we will most likely undertake some aircraft transfers within the Air Force Reserve to assure commonality of equippage within units.

QUESTION. How many MH-60G's has the Air Force requested for the Reserves in President Bush's budget?

General SCHEER. None are programmed in the fiscal year 1990 budget for the Air Force Reserve.

[CLERK'S NOTE.—End of questions submitted by Mr. AuCoin.]

Mr. MURTHA. Mr. Sabo has several questions he would like answered for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Sabo and the answers thereto follow:]

SQUADRON STRENGTH

QUESTION. Many reserve/guard air squadrons are not equipped at full strength. The table in General Killey's testimony indicates, for example, that most tactical air squadrons will be equipped with only 18 aircraft, not the 24 aircraft that are assigned to active units. I understand that DOD is considering two ways to deal with this: either consolidation of reserve aircraft to a smaller force structure of fully equipped squadrons, or transfer of additional active aircraft to bring the reserves up to full strength.

Do you have any comments on either of those proposals? Do you agree, for example, that it would make sense for us, in terms of cost and operational effectiveness, to have a smaller number of larger squadrons, rather than a larger number of smaller units.

General SCHEER. I agree the consolidation of reserve aircraft to a smaller force structure of fully equipped squadrons will produce economies of scale. However, the drawback of this option is the loss of combat ready personnel. Since the Reservist is not as mobile as his active duty counterpart, consolidation would require laying off combat ready aircrews and maintenance personnel at one location only to have to rehire at another. All in all the economies created by consolidation do not make sense when considering the overall turbulence and potential loss in readiness.

General KILLEY. Yes, I would like to comment on this issue, as it pertains to the Air National Guard. As you know, one of the differences between the Air National Guard and the Air Force Reserves is the dual role the Air Guard plays with respect to its federal and state missions. As a states' militia, the Air Guard performs a vital role in many states' related efforts that have broad, far reaching effect on the safety and security of our citizens during national disasters and other related crises. As a federal force, which I believe is the key point of your question, the drawdown of Air National Guard forces from 24 Primary Assigned Aircraft (PAA) to 18 PAA squadrons was done with a view that it was better to preserve Air Guard infrastructure that could be robusted to full strength later or in time of national emergency or crisis. It can be said that reduction of the number of squadrons could result in some near term dollar savings, but then we would have lost or reduced our capability to put forth the strong ready reserve force for which the United States is known and respected. The key to our guard peacetime strength lies in the hands of dedicated, full time technicians and AGRs that provide the training base on which our equally dedicated traditional guardsmen and women are trained to meet their planned wartime tasks. Elimination of guard or reserve units would seriously erode this strength, which could not be easily rebuilt on time to meet our nations needs. Keeping reserve units is imperative; robusting them to full strength now or later would only improve our capability to contribute to a strong defense.

C–130 TRAINING SIMULATORS

QUESTION. In General Temple's written statement, he notes (page 13) that existing C–130 flight simulators are old and need replacement. I know that DOD is looking into the possibility of funding two new simulators to train both Air Force Reserve and Air National Guard personnel.

Can you provide me with information on the current status of this program?

General SCHEER. HQ MAC has recently stated that there are no excess C–130 Weapon System Trainers (WSTs) for the Air Reserve Components (ARC) to utilize in our regional training center concept. MAC has assured us that there is excess training capacity for ARC C–130E aircrews available at active duty locations. However, the ARC C–130H2 simulator requirements are not compatible with active duty C–130E model simulators. The ARC still needs to procure two WSTs for its eastern and western regional centers to train its C–130H2 aircrews. To date the ARC has an outstanding requirement for modern, accessible weapons system training devices.

General KILLEY. Headquarters Military Airlift Command (HQ MAC) has recently stated that there are no excess C–130 Weapon System Trainers (WSTs) for the Air Reserve Components (ARC) to utilize in our regional training center concept. There is some excess training capacity for ARC C–130E aircrews at active duty C–130 locations. However, these locations are not conveniently accessible and training slots are not suitable for ARC aircrews. For this reason we are continuing to plan for the two regional C–130E training facilities. Unfortunately, no further action can be taken until simulators for the facilities can be procured.

QUESTION. Is there money in the FY 1990 budget for the new simulators?

General SCHEER. No money has been programmed for new simulators for the Air Reserve Components.

QUESTION. Have you made a decision about where the new flight simulators would be based?

General SCHEER. In keeping with the regional training concept, the ARC proposed that the eastern training center be located in the Atlanta, Georgia, area. The western facility decision is pending final coordination. We expect a decision by 15 June 1989.

[CLERK'S NOTE.—End of questions submitted by Mr. Sabo.]

Mr. MURTHA. Mr. Livingston has several questions he would like answered for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Livingston and the answers thereto follow:]

WC-130 HURRICANE RECONNAISSANCE

QUESTION. The Air Force announcement on February 15 that the Air Force will place sufficient assets at Keesler to ensure hurricane reconnaissance coverage is somewhat appreciated, but ironic. When the Air Force tried to shut down this mission several years ago, I maintained and proposed that the Reserves should keep this mission because they had the experience, and continuity, and the Reserves can usually do it cheaper then the active forces. The Air Force opposed me on this proposal and was able to convince the other body that the Actives should lead the way in this mission with a little help from the Reserves.

In any event, I am glad to see the Air Force has decided to keep the mission—I hope. Now I am hearing rumors that the revised FY 1990 budget may delete funding for this mission. I hope you will send the message back this better not happen.

The announcement on February 15 said that the Air Force was going to place sufficient assets in the Reserves at Keesler to ensure hurricane reconnaissance coverage for the Atlantic, Gulf of Mexico and Caribbean. As you know, this Subcommittee has been directing the Air Force over the last two years to maintain at least 12 WC-130s and a flying program, of at least 1600 hours in support of hurricane reconnaissance coverage. How does the specifics of the announcement on the 15th compare to these present requirements? Provide details for the record.

General SCHEER. The announcement of February 15 proposed an Air Force Reserve unit composed of eight WC-130 aircraft and 1000 hours of storm reconnaissance flying time. However, since that time DoD has decided to retain the weather reconnaissance mission in the active force (i.e., as currently organized) through FY 1990. We are discussing transitioning the mission to the Department of Commerce in FY 1991.

QUESTION. I am hearing disturbing news that the Reserves may only be allowed to fully man 6 aircraft and have 2 backups. I am also hearing that the Air Force may only budget for 1,000 hours of storm flying and 1,000 hours of training. This would not be enough planes nor hours to provide any coverage for Hawaii, if needed. But more importantly this would not be adequate to cover a multiple storm or hurricane situation—an occurrence that happens quite often, is this the current plan being considered by the Air Force?

General SCHEER. No, this is not the current plan being considered. The current plan is to keep the WC-130s as currently organized through FY 1990.

QUESTION. Is this direction coming from the Active side or the Reserves?

General SCHEER. The current direction is the result of agreements and discussions among the Departments of Defense and Commerce and members of Congress.

QUESTION. Who will ultimately make the final decision on aircraft numbers, personnel and hours flown? (Provide the office and command details).

General SCHEER. The final decision will be made by the Secretary of Defense.

QUESTION. What are the Air Force plans for funding this important hurricane reconnaissance mission beyond FY 1990?

General SCHEER. DoD has no military requirement for the hurricane reconnaissance mission but has agreed to fund the WC-130s through FY 1990. Because there are no funds in the FY 1990 budget for WC-130s, we will reprogram funds to cover these expenses if necessary. After FY 1990, this mission should be supported by the appropriate civil agency. The Air Force will discuss transferring the mission with the Department of Commerce (National Oceanic and Atmospheric Administration). The funds shown below are needed to retain the WC-130s in FY 1990 and transfer them to a civil agency in FY 1991.

[Dollar amounts in millions]

	Fiscal Year—				
	1990	1991	1992	1993	1994
Active	18.1	7.4	0	0	0
Reserve	5.9	1.7	0	0	0
Total	24.0	9.1	0	0	0

QUESTION. I was never convinced that the Air Force should get out of this business. As you recall, during the height of Hurricane Gilbert last August 13 through the 16, news reports detailed the Soviet Union involvement in hurricane reconnaissance. At one point during the storm, our Air Force aircraft were denied airspace into Hurricane Glibert because of Soviet presence.

Has the Air Force looked at what the Soviets are doing in this area; what aircraft assets they are using in these missions; the impact on our military mission and presence in our own backyard if we stop doing this and the Soviets are the only ones supplying this data to our allies in the region; what new landing or access rights the Soviets have acquired in the region since they began these weather reconn missions?

General SCHEER. Air Force intelligence analysts did look at the Soviet missions flown in Hurricane Gilbert. They used two aircraft, the IL-18D/COOT and an AN-12/CUB, which staged out of Cuba. If they continue their activity this year, they should not require any new landing or access rights for these missions. There is no military requirement for WC-130 collected data, but the need for airspace de-confliction could impact the research missions flown by NOAA's P-3 aircraft and our WC-130's. NOAA can continue to collect and disseminate hurricane data through the use of their P-3s, weather reconnaissance satellities and WC-130s.

QUESTION. This Subcommittee has provided funds in the past for the Improved Weather Reconnaissance System to be placed in the WC-130s at Kessler. Will this continue?

General SCHEER. Yes, the Improved Weather Reconnaissance System (IWRS) modification will continue.

QUESTION. How many aircraft will be getting this new system?

General SCHEER. Ten IWRS sets have been purchased. The ten primary aircraft will be modified with this system.

QUESTION. Provide the personnel and equipment breakdown for each WC-130 under the Air Force's new plan.

General SCHEER. Personnel and equipment are not designated by each aircraft in this case. The personnel and aircraft numbers are as follows:

CURRENT ORGANIZATION—THROUGH FISCAL YEAR 1990

	Aircraft	Personnel
Active	6 PAA/2 BAI	36 CIV/342 Mil.
Reserve	4 PAA/0 BAI	62 CIV/0 Mil/56 Drill.
Total	10 PAA/2 BAI	98 CIV/341 Mil/56 Drill.

After FY 1990, the weather reconnaissance mission should be supported by the appropriate civil agency. DoD has no military requirement for this mission, but has agreed to fund the WC-130s through FY 1990.

QUESTION. Provide a detailed time-table regarding aircraft and personnel adjustments for this plan.

General SCHEER. A detailed time-table regarding aircraft and personnel adjustments is unavailable at this time. Since the decision to continue the program through FY 1990 is a recent one, a detailed time-table or the drawdown for these forces and personnel has yet to be developed.

QUESTION. Provide a detailed breakdown of the costs associated with this new plan, including any additional costs over the currently proposed FY 1990 budget.

General SCHEER. The costs associated with this new plan are as follows: (All costs are in addition to FY 1990 budget.)

[Dollar amounts in millions]

	Fiscal Year—				
	1990	1991	1992	1993	1994
AFR TOA:					
3010	0.125	0	0	0	0
3700	1.165	0.590	0	0	0
3740	4.580	1.110	0	0	0
Total	5.870	1.700	0	0	0

[Dollar amounts in millions]

	Fiscal Year—				
	1990	1991	1992	1993	1994
Active TOA:					
3010	0.200	0	0	0	0
3400	6.380	1.494	0	0	0
3500	11.504	5.854	0	0	0

[Dollar amounts in millions]

	Fiscal Year—				
	1990	1991	1992	1993	1994
Total	18.084	7.348	0	0	0

C-130H, LOUISIANA AIR NATIONAL GUARD

Question. What is the exact status of the transfer of the C-130H to the Louisiana Air National Guard?

Answer. The C-130H programmed for Louisiana is flowing out of Charleston, West Virginia, after the West Virginia unit receives its new C-130Hs. The new aircraft must be delivered before the older C-130H is transferred to Louisiana. The new aircraft is scheduled for delivery in mid July of 1989 and this delivery is anticipated to be on time. The transfer of the C-130H to Louisiana is also dependen upon the training of aircrews to fly the aircraft. This training is currently in progress. Estimated training completion date is late July. Upon completion of the training, aging of the C-130H crew force must also be accomplished. The 159th Tactical Fighter Group is also exploring the possibility of hiring experienced C-130 personnel for this aircraft. The C-130H can be transferred to the 159th Tactical Fighter Group in July of 1989. Whether they will have a qualified aircrew to accept and fly the aircraft is yet to be determined. Because of all the unknowns associated with this transfer, we cannot give you an exact date for the arrival of the C-130H at Louisiana.

Question. Will the C-130H be delivered to the 159th Tactical Fighter Group before the 4th quarter of Fiscal Year 1989?

Answer. Based upon the scheduled delivery of production aircraft by Lockheed, the earliest the C-130H for Louisiana can be delivered is July 1989 which is the 4th quarter of Fiscal Year 1989.

Question. The Air Force notified my office on March 1st that the C-130H would be delivered in July. Is the Air Force going to meet this date? If not, why? If not, when will delivery be made?

Answer. Referring to the previous questions concerning the transfer of the C-130H to Louisiana, the Air National Guard still expects the transfer of the C-130H to be in July of 1989.

[CLERK'S NOTE.—End of questions submitted by Mr. Livingston.]

Mr. MURTHA. Congressman Murphy asked that several questions on Base Operating Support (BOS) Services be answered for the record.

[CLERK'S NOTE: Questions submitted by Mr. Murtha for Mr. Murphy and the answers thereto follow:]

BASE OPERATING SUPPORT SERVICES

QUESTIONS. OMB Circular No. A-76 requires that certain services currently provided by the government be contracted out to the private sector when doing so would reduce costs while maintaining or improving the quality of the service. The Minneapolis IAP, currently operated by AFRES, was required to compete with private bidders—in compliance with A-76 procedures—for base operating services. In this particular solicitation, Intelcom Support Services submitted a bid considerably lower than that of AFRES. However, OMB Circular No. A-76 allows certain costs to be added to private industry's bid for comparison and after these costs were added, the differential was $64,000 in favor of AFRES. Intelcom was the only qualified "outside" bidder. Intelcom Support Services has alleged that AFRES, in comparing its costs with those incurred by AFRES, has used procedures that improperly weight its calculations in favor of in-house retention of services. A protest of this decision has been filed by Intelcom Support Services, Inc. and is pending before the General Accounting Office.

AFRES has taken the position that data compiled from a mock reduction is an appropriate method for calculating the number of current employees who would be affected by a conversion from AFRES operating services to those of the private sector. In connection with the mock RIF conducted at Minneapolis IAP, isn't it true those supervisory personnel conducting the mock RIF, and therefore questioning current employees, were biased in favor of AFRES continuing to provide the services at issue?

General SCHEER. Before I begin to answer the specific questions concerning the Intelcom Support Services, Inc. (Intelcom) protest of the in-house decision at Minneapolis-St. Paul IAP, I would like to comment on the pattern of approach taken thus far in this matter. OMB Circular A-76 as well as AFR 26-1 are quite specific in the process of accomplishing a cost comparison study. Those directives are similarly explicit in what types of waiver authority(ies) is/are available to Major Commands with Air Force approval. We have exercised waiver authority, with Air Force approval, throughout our cost comparison proceedings and have been supported by a previous GAO judgment, B-228032.2, December 30, 1987. That decision was rendered following a protest lodged by Raytheon Support Company after the in-house decision at Westover AFB, MA. We believe that the procedures used in the cost comparison at Minneapolis-St. Paul IAP have been followed to the strictest point of the governing directives and will be again supported by GAO findings which will be due in September of this year. The command has answered the protest lodged by Intelcom during the initial phase of the appeals process, plus subsequent questions posed by the firm. Some of the same questions will be answered during these proceedings. We trust that the appeals process already set in motion and which is now placed with GAO will remain intact irrespective of the testimony that will be presented today. The Air Force Reserve wants to have the most efficient and cost effective organization it can achieve whether it be a contractor or in-house work force accomplishing the job. Under the current climate of austere budget constraints, the Air Force Reserve absolutely cannot afford to have its bases operated in any other manner than by the "most efficient organization" possible.

The use of mock RIF has been supported by GAO in its decision concerning Raytheon Support Company (B-228032.2) on 30 December 1987. In that decision, GAO stated "the mock RIF procedure is a proper method of calculating severance pay, recognizing that estimates of severance pay involve complex and somewhat subjective judgments." Our mock RIF is not conducted by supervisory personnel, and supervisory personnel do not question the employees during a mock RIF procedure. The mock RIF is accomplished in accordance with Title 5, US Code, Section 3502; Title 5, Code of Federal Regulations, Part 351; Chapter 351 of the Federal Personnel Manual, and AFR 40-351. The only difference between a mock RIF and an actual RIF is that the personnel actions are not consummated in the mock procedure. The Central Civilian Personnel Office (CCPO) conducts the mock RIF and determines the skills and qualifications of the employees affected. The CCPO consults with the supervisors of the employees identified to be adversely affected by the RIF to arrive at an estimate of the number of employees who might be offered comparable employment with a potential contractor. The only employees who would be denied severance pay, if they refuse employment with a contractor, would be those employees who refused comparable employment. In the sense that the mock RIF was conducted in compliance with the law, Federal Regulations, and the findings of the GAO, we believe that it was a fair and unbiased action.

QUESTION. Wouldn't that bias substantially prejudice the result of any mock RIF survey?

General SCHEER. Because the mock RIF was conducted in accordance with the law, Federal Regulations, and the findings of the GAO, we disagree that the action was biased.

QUESTION. What measures does AFRES take to insure the integrity of the responses provided during a mock RIF?

General SCHEER. Headquarters Air Force Reserve (HQ AFRES) conducted a command briefing for civilian personnel offices where all rules and regulations were discussed. When the base began preparing for the mock RIF, a representative of the Headquarters Directorate of Civilian Personnel participated in the mock RIF process to ensure the operation was conducted properly. The Directorate reviewed the results of the mock RIF in their entirety to ensure their compliance with Title 5, US Code, Section 3502; Title 5, Code of Federal Regulations, Part 351; Chapter 351 of the Federal Personnel Manual; and AFR 40-351.

QUESTION. In relying upon the mock RIF data, did AFRES compare the results obtained with historical data reflecting employees actions in actual past conversions? If not, why not?

General SCHEER. There are no provisions for comparing elements in one cost comparison with those of another base in any of the directives. The purpose of conducting a cost comparison for each base is to determine the most efficient organization to fit that base. The set of circumstances at a base undergoing study may not necessarily be the same as those at a base that converted to contract. The same is true of the mock RIF results. Again, the CCPO must evaluate each case based on its merits. To do otherwise would bias the A-76 process.

QUESTION. Under the provisions of OMB Circular No. A-76, four supervisory personnel would be required to inspect the performance of a private sector contractor during the life of the contract. AFRES obtained a waiver from the four personnel standard and insisted that six supervisors rather than four were necessary at Minneapolis IAP at an additional cost of $217,533. Waivers from the OMB Circular No. A-76 criteria are only to be granted if the work being performed is so technically specific or geographically dispersed as to require additional supervisors. Providing regular maintenance at an AFRES base would appear to meet neither of these exceptions.

What functions, if any, at Minneapolis IAP were found to be technically specific? How does AFRES define the phrase technically specific?

General SCHEER. Air Force Regulation 26-1, vol 1, para 9-13c, states that a waiver may be requested if the function undergoing comparison is so technically specific or geographically dispersed that the contract administration (including the Quality Assurance Evaluation) may require additional numbers of personnel to perform those tasks. AFRES performed a study of the five major functions of Supply, Vehicle Operations, Vehicle Maintenance, Civil Engineering, and Administration as well as the dispersion of these activities to determine the workload associated with monitoring their subordinate acitivities. Based upon the results of that study, which was substantiated by the different number of subordinate workcenters requiring monitoring, HQ USAF granted a waiver for six positions to perform the Contract Administration and Quality Assurance tasks.

QUESTION. What functions, if any, at Minneapolis IAP were found to be geographically dispersed? How does AFRES define the phrase geographically dispersed?

General SCHEER. In the Command's opinion, the workload associated with the five major functions (plus their varied subordinate workcenters) coinstitute a base-wide coverage. It is the combination of the dispersion of the work centers and their variation of tasks that drives the need for additional personnel to perform the Quality Assurance and Contract Administration responsibilities associated with a prospective contract.

QUESTION. AFRES alleged that supervisory personnel were required to inspect 33 times per week to ensure that the lawns were mowed, 67 times per week to ensure proper irrigation and 33 times per week to ensure that leaves were raked. All these unnecessary inspections were added to the projected costs of the private sector bidder. How can AFRES justify these inspections?

General SCHEER. The Air Force Reserve does not require supervisory personnel to inspect lawns 33 times per week, irrigation 67 times per week, and the raking of leaves 33 times per week. Under contract operation, a Quality Assurance Evaluator (QAE) would be required to inspect completed work (i.e., lawn mowing, irrigation, and leaf raking) on a designated number of plots or samples (i.e., 33 plots/samples for lawn mowing and leaf raking and 67 for irrigation). The Air Force takes a very detailed approach in defining work and the manpower it takes to accomplish the work, similar to industrial engineering approaches taken by consulting firms or large industry. These methods have been approved since the inception of the Manpower Validation Program in the early 1960's, and they have been proven to be excellent methods of manpower determination for the Air Force as attested by repeated comments by the Congress during budgetary discussions. Similar detail, used within manpower determination, is required as part of the overall

Quality Assurance Surveillance Plan (QSAP) that is constructed in conjunction with the cost comparison study.

QUESTION. AFRES has taken the position that exceptionally unique circumstances at the Minneapolis IAP require a waiver from the Air Force's severance pay rules. What are the "exceptionally unique" circumstances present at the Minneapolis IAP which, as AFRES contends, warrant deviation from the 2% of payroll of the Most Efficient Organization (MEO) rule at an additional cost of $287,278?

General SCHEER. Unlike "normal" military installations where personnel affected by RIF may find comparable employment through customary vacancy actions or "bumping rights", most Reserve host bases are located at metropolitan airports which do not offer those conditions. In short, the employee loses his/her job. As a means of determining the appropriate compensation for the affected member, the Reserve must consider the expected outcome of the prospective RIF. OMB Circular A-76 (part IV, chapter 3) states that if a separation rate greater than four percent is anticipated, other estimates of severance pay may be used provided the assumptions are fully documented and advance approval is obtained from the agency responsible for Circular A-76 implementation. In this case, those estimates were fully documented by the approved method (i.e., mock RIF) using the actual factors at Minneapolis-St. Paul. The mock RIF identified 10 employees who would most likely accept employment with a potential contractor. The MEO has established a requirement for 78 individuals, 10 of whom would have been hired by the contractor, leaving 68 employees who would have to be placed. In conducting the mock RIF, 86 employees were adversely affected because of "bumping" and "retreating" rights provided by the RIF regulations. Therefore, all 86 employees had to be considered in estimating the number of employees who would be entitled to severance pay. Of the 86 affected individuals, management's best estimate was that 31 would be entitled to severance pay. That process complied with the provision of Table 9-3, note 2, AFR 26-1 and was the basis for requesting a waiver of the two percent severance pay factor which was approved by HQ USAF.

QUESTION. Why did the MAJCOM CCAARB fail to credit Intelcom $14,369.79 for the inflation allowances it made in the out years?

General SCHEER. The MAJCOM CCAARB did not fail to credit Intelcom with $14,369.79, as it is improper for the Board to adjust any contractor bid. The purpose of the MAJCOM CCAARB is to review the accuracy of the Government's in-house cost estimate to ensure that it was properly accomplished against solicitation requirements. Adjustments to the Government's in-house costs are made if errors are found. The adjusted Government in-house cost is then compared against contractor bids/proposals to determine the most cost efficient means of operation. It is improper for the MAJCOM CCAARB to review or adjust any contractor bids/proposals. Moreover, it is the contractor's responsibility to determine the accuracy of his bid/proposal upon submission.

QUESTION. Wasn't such action proper after the MAJCOM Board decided that inflation calculations need not be made for certain positions by either party (Contractor or AFRES) for the purpose of the Cost Comparison Study (CCS)?

General SCHEER. Again, the MAJCOM CCAARB's responsibility is to review the Government in-house cost estimate to ensure its accuracy against the solicitation requirements. There can be no adjustment to the contractor's bid/proposal by the Government. To do this would defeat the integrity of the procurement process and essentially bias the competitive bidding process among the various contenders.

QUESTION. In preparing its CCS, did the Office of Primary Responsibility (ORP) conduct a survey of job categories subject to the Service Contract or Davis-Bacon Acts? If not, why not? If so, what were the results?

General SCHEER. A survey of job categories was conducted and resulted in the decision that Service Contract Act (SCA) would apply to all positions except Indefinite Quantity Work (Davis-Bacon). The Request for Proposal, Book 1, page 30, explicitly states that "this contract is subject to the Service Contract Act of 1965" and that the Service Contract Act "applies to all Contract Line Item Numbers (CLINs) except 0007, 1007, and 2007. . ." These CLINs refer to Indefinite Quantity Work which are also covered under the Davis-Bacon Act. The Request for Proposal (RFP) is documentation prepared by HQ AFRES Directorate of Contracting that clearly indicates all CLINs were identified for coverage under the SCA except Indefinite Quantity Work. This finding was further supported by the Indpendent Reviewer (Captain Fred McNitt, Headquarters Military Airlift Command, HQ MAC/ACCC) in a letter dated 12 Jan 89. Furthermore, there were no job orders in excess of $2000 for repair work performed under Contract Line Numbers 0006, 1006, and 2006 (referenced in RFP directives) that were identified for either the in-house or contractor. Therefore, neither party was required to inflate any positions in the second and third periods other than the Indefinite Quantity Work (Davis-Bacon).

QUESTION. Explain the excessive sum of money (almost $20,000/person) stated by AFRES as necessary for the relocation of five persons from the Minneapolis area.

General. SCHEER. The sum of money cited is not excessive. It was determined based upon historical data covering personnel who actually transfered from Minneapolis-St. Paul during the two previous fiscal years 1986 and 1987. These amounts were increased to reflect current rates based on inflation. Instead of reflecting the two-year average (FYs 1986 and 1987) of $18,731.75, the inflated rate of $19,897.20 was used to express the expected rate for the proposed period.

QUESTION. Explain the substantial increases in costs of projected employee retraining. How were these costs determined?

General SCHEER. Through the exercise of "bumping" and "retreat" rights gained through the mock RIF process, six individuals were identified as requiring training in their new positions. The costs include travel, per diem, and salary while TDY to school.

QUESTION. Why are GS-11 employees required on the transition team for six months following the A-76 conversion? Aren't their job duties primarily clerical?

General **Scheer**. No, the additional workload placed on the Central Civilian Personnel Office to effect the 86 adverse actions is not clerical in nature. The work includes: working RIF procedures to determine qualifications, best offers; issuing necessary notices; processing personnel actions; counseling employees regarding retirement, severance pay, unemployment compensation, rights under RIF; registering employees in the DoD priority placement program; responding to DoD activities regarding qualifications of people registered for placement in other jobs; establishing and administering a reemployment priority system; computing and processing applications for retirement; and responding to grievances and appeals which include representing the agency in arbitration hearings and Merit System Protection Board appeals. Civilian personnel specialists perform these functions except in the most complicated cases which may require legal expertise. The GS-11 grade is commensurate with the accomplishment of these varied levels and numbers of taskings. These functions are not clerical, and we would submit that two GS-11s operating for a period of six months is a very conservative estimate of the workload requirements.

Question. Has AFRES included its Indefinite Quantity Work (IQW) within its MEO in all of the CCCs' it has done?

General **Scheer**. All indefinite quantity work was costed by the Reserve as required, and the correct costing method was utilized.

Question. Wasn't AFRES in error in using a staffing figure of 113 (rather than its MEO) in requesting a waiver from the contract administration staffing table?

General **Scheer**. The Air Force Reserve was not in error by using a staffing figure of 113 rather than its MEO. The listing of positions in the current organization (113) is routinely submitted with the waiver request cover letter, as it specifically states that the positions listed represent "the number of funded positions prior to development of the MEO." Due to the confidential nature of the MEO information, it would be improper to divulge the MEO staffing prior to bid comparison. To do so would compromise the Government's estimate.

[**Clerk's note**.—End of questions submitted by Mr. Murtha for Mr. Murphy.]

Mr. **Murtha**. Please answer the following questions for the record.

[**Clerk's note**.—Questions submitted for the record and the answers thereto follow:]

READINESS

Question. Secretary Duncan, in his statement, mentioned that there is uneven implementation by the Services of the Department's policy of "First to Fight, First to Equip."

General Scheer, what are you doing to insure that the early deploying units of the Air Force Reserve receive the required equipment?

General **Scheer**. The Air Force priority system and all of its programming process are dedicated to the premise that the first units tasked should be supported first. My staff and I serve as advocates for these principles within the Air Staff and help dictate change of policy to effect this. I would add that roughly 95% of all Air Force Reserve units are, by definition, "early deploying."

General KILLEY. In concert with Headquarters Air Force and the active component Major Commands, we have prioritized active, guard, and reserve forces, based on wartime tasking, in order to apply the Department's "First to Fight, First to Equip" policy. In the recent past the Air National Guard did not receive equal consideration; however, since implementation of the Department's policy, we are in the process of correcting the existing inequities.

QUESTION. Are your readiness efforts primarily to support the combat units or does it involve the combat units and combat service support units?

General SCHEER. To date, we have not been fiscally constrained to the point where we have had to make that sort of determination. We have been able to provide for the majority of the equipment needs for all units with the tremendous support provided in the form of the Special Appropriations funds. As requirements have changed, and as funds have allowed, we have achieved readiness in all quarters.

General KILLEY. Since the combat units are the primary drivers in developing wartime capabilities, our primary efforts are towards these combat forces. However, we recognize the importance of combat support forces and combat service support units. Following USAF guidance, while desiring to equip all our combat units fully, we must equip our combat (i.e., aircraft squadrons) units first and then roll remaining resources towards support units.

QUESTION. It appears the Congress and Defense Department is heading in the right direction by providing more equipment. This is highlighted because the Department is required to submit an annual report to Congress on equipment for the Reserve components.

The main concern today is that while it is necessary to equip the units based in the first to fight principle, it is also paramount that these units be trained on the same principle. It often appears that the operations and training resources are not provided in a timely manner to train and support the Reserve components.

General Scheer, are you aware of any problems in this regard? What is being done to correct any such mismatch of equipment with training and operating dollars?

General SCHEER. I don't feel that we have that problem. Our units have been able to periodically deploy to train in environments similar to those in which they would fight.

The funds you have provided have been adequate to ensure an extremely high degree of readiness.

QUESTION. General Killey?

General KILLEY. As Air National Guard units are equipped with modern aircraft often the required training "Tail" lags. Two example of this lag are our C-130 and F-16 (general purpose) units. There are five ANG C-130 units equipped with old (1960 technology) simulators. We are working with AFRES to identify locations for two regional training centers where we could beddown modern simulators to provide training. The old C-130 simulators would then be shut down. Simulators are normally transferred from the active to the Reserve when aircraft are transferred. However, fighter simulators like support equipment are procured to support 72 PAA wings while the ANG forces are in 18/24 groups. Additionally, F-16 A/B simulators can be modified to a C/D configuration so that even the limited number procured are not available for our units. The ANG position has been not to procure expensive to maintain simulators but to procure state-of-the-art cockpit procedures trainers (CPTs) and part task trainers (PTTs). These will be less expensive to maintain and be more available to our traditional Guardsman.

QUESTION. In order to augment the active forces for any operational mission, section 673b of 10 United States Code authorizes the Secretary of Defense, upon determination by the President, to order any unit or member of the Selected Reserve, without consent of the Members concerned, to active duty (other than for training) for not more than 90 days. Otherwise the Reserves have to rely on volunteers for extended duty. As you know, the Reserve Components are becoming involved in more and more operational missions.

General Scheer, what impact does this restriction have on the Secretary's ability to mobilize the Air Force Reserve units in the time of crisis but short of national emergency? (Example: Use of Navy Reserve ships in the Persian Gulf.)

General SCHEER. A key requisite that must be kept in mind when considering the Reserve force mix equation is: Do not place all or nearly all of any wartime mission in the Reserves. Doing so will prevent long term contingency response without mobilization and reduce the sourcing of pretrained combat ready personnel from the active force.

QUESTION. General Killey?

General KILLEY. The Air National Guard does not view the potential of use of 673b of 10 USC as a problem. We constantly advise all personnel of their mission—train to fight. However, the Air National Guard has dealt effectively during times of crisis by using section 672(d) of USC.

Formal agreement has been reached, in advance, with the respective governors, adjutants general and individuals to insure availability in situations short of a national emergency requiring use of 673b or presidential call or full mobilization. For example: NORAD/ADTAC Alert—SAC Alert/SAC Conventional. The ANG has participated in several real world situations under this authority.

The agreement basically provides that an individual voluntarily and with the consent of the governor agrees to serve under 672(d) 10 USC for a period not to exceed 30 days. A period of crisis over 30 days could be dealt with under this provision by the rotation of assigned personnel.

QUESTION. The "total force" concept requires that Reserve early deploying units to be manned and equipped at levels which make them combat ready on short notice.

General Scheer, how ready is the Air Force Reserve?

General SCHEER. We are prepared and are in the highest state of readiness in the history of the Air Force Reserve. All out indicators show it. The Status of Resources and Training System (SORTS) tells us that over 97 percent of our rated units have the equipment and trained people to carry out our wartime mission. Operational Readiness and Unit Effectiveness inspections in the past year have all been graded Satisfactory or above, with many inspections rated Excellent and Outstanding We are confident that we can respond immediately, when required.

QUESTION. General Killey?

General KILLEY. The Air National Guard is experiencing the highest state of readiness in its history. Ninety percent of our units are manned and equipped to accomplish their wartime mission. Due to equipment converisons, mission changes, and modernization, only 10 percent, mostly in the mission support areas (Combat Communication, Engineering-Installation Squadrons, and Services), require additional resources and training to fully meet their assigned wartime mission. We are experiencing similar problems as the active component and the Air Force Reserve in areas of support equipment and aircraft spares.

QUESTION. General Scheer, does the Air Force Reserve have enough of the right skill people for the right slot; enough of the right equipment in the right place; and can you get the people and equipment together in time?

General SCHEER. Skill qualification and job/skill mismatch are not significant problems for the Air Force Reserve. Less than 2 percent of our personnel are retraining into new jobs, and less than 1 percent are unqualified for any Air Force specialty.

We have made significant progress in the equipment area. Equipment modernization is, and probably will continue to be, our highest priority. We have equipment that is difficult to support and less than optimal in terms of its capability that must be replaced with more effective and capable units. Specifically, the Air Force Reserve helicopter fleet needs replacement and we need to find ways to provide adequate defensive systems for all of our combat aircraft.

As far as our ability to get our people and equipment together in time goes, we typically have responded in contingencies within 24 hours, or less. A recent example was operation GOLDEN PHEASANT, where our crews from Andrews responded within the first six hours and flew the first C-141 mission into Honduras. There is no reason to doubt that this commitment and response will continue.

QUESTION. Does the ANG have enough of the right skill people for the right slot?

General KILLEY. Yes. In the Air National Guard we recruit against wartime requirements and continue to be successful finding the right skills needed to fill our wartime taskings. In the past three years the Air National Guard readiness posture has increased by 15%. Currently, 82% of our assigned personnel are at the fully qualified level.

QUESTION. Does the Air National Guard have enough of the right equipment in the right place?

General KILLEY. No. Even though the Air National Guard now has F-15s and F-16s they are the older model aircraft based on 15-20 year old technology. There are many shortages in support equipment. Delays in procurement contracts, long production time frames, increased requirements and replacement of antiquated equipment are the primary reasons for these shortages. The Air National Guard's primary concerns in aircraft equipment are F-15

Multi-Staged Improvement Program, F100-PW-220E engine upgrade, F-16 survivability through Have Glass and ALE-40 upgrades, and Electronic Countermeasures Pod. In addition, there are shortages of munitions equipment, aircraft ground support equipment, and communications equipment. While tremendous headway has been made in the overall percent of mobility equipment on-hand (75% fill rate), continued emphasis must be maintained to ensure that the Air National Guard continues to improve its overall readiness.

Question. Can the Air National Guard get the people and equipment together in time?

General **Killey.** Yes. Air National Guard units are capable of performing their mobility wartime mission to deploy with the right people and material on short notice anywhere in the world. Plans are in effect to guide our units from a peacetime operation mode to full combat status during a mobilization alert notice. Our gaining Air Force Major Commands routinely validate the Air Guard's ability to mobilize during frequent operational readiness inspections. These exercises require our units to actually deploy to a simulated wartime location and accomplish realistic wartime taskings at the deployment site.

Question. General Scheer, what is in the fiscal year 1990 budget which will help you make the Air Force Reserve ready? What is left to do in future years?

General **Scheer.** The entire Reserve FY 1990 budget is geared to maintain our current high state of readiness. The 7.5% decrease in our O&M account will precipitate a like decrease in readiness training.

Equipment modernization is, and will probably continue to be, our highest priority. We have equipment that is difficult to support and less than optimal in terms of its capability that must be replaced with more effective and capable units. Specifically, the Air Force Reserve helicopter fleet needs replacement. The continued operation of the HH/CH-3 helicopter fleet constitutes a heavy drain on Air Force Reserve resources. The aircraft are approaching obsolescence and unsupportability, have marginal performance, navigation, and communications capability, and are ill-equipped to survive in a wartime environment. Replacement of AFRES helicopter assets with newly procured MH-60G/L helicopters would greatly enhance mission capability. In FY 1989, Congress provided the authorization and appropriation of funds to procure nine MH-60Gs. Sixteen more aircraft would complete the helicopter modernization.

Secondly, we would hope to complete the C-130Hs procurement of our unit at Youngstown, Ohio, We need two more C-130Hs to complete this unit's conversion from the C-130B. Without these two aircraft, this unit will be operating very inefficiently with two models of aircraft. Also, when the Youngstown conversion has been completed, the Air Force Reserve will still be operating 24 C-130Bs, which are over 30 years old, have inadequate avionics, and are reaching unsupportability in some areas.

Thirdly, the Air Force Reserve needs defensive systems equipment for all of its tactical fighter, tactical airlift, rescue, and special operations aircraft. Aircraft survivability in today's wartime scenario is highly dependent on the ability to recognize threats and either take evasive action or confuse the enemy's rocket or missile. Without defensive systems capability, recognition and reaction is doubtful and the consequences are a low survivability rate.

In the long term, we see a potential problem in retention of our Air Reserve Technician (ART) personnel. The perception is ever growing that the Federal Government may not be the employer for the aggressive and talented individual. His or her salary is not keeping pace with the military pay, much less with the private sector. Recent changes in retirement benefits, and return rights upon completion of a military tour lead he/she to question what further adverse changes the future may hold. Flying for their airlines provides a convenient way out. We are aggressively seeking new and imaginative methods that might reverse this trend.

QUESTION. General Killey.

General KILLEY. Our budget request for FY 1990 provides funding necessary to sustain the combat capability and cost effectiveness of today's Air National Guard. By any measure, we are more combat ready today and provide more combat capability for our nation's defense than ever before. This is due to the high experience level of our personnel, the stability in our units, the quality and intensity of our training programs and the modernization of our equipment. Within today's fiscally constrained environment, the Air National Guard, among all military components, provides the greatest return in capability for the taxpayer's dollar. We provide over 90% of the air defense of America, 36% of the tactical airlift capability, and 24% of the tactical fighter capability. In FY 1990, we will log over 440,000 flying hours, participate in military exercises around the world, train with all services, and convert a third of our flying units to more modern equipment.

As for the future years, full-time manpower is vital to the success of our mission. A serious problem facing the Air National Guard is the Active Guard/Reserve (AGR) grade ceiling. In FY 1988, our grade ceiling levels were reduced and in FY 1989 all increases over the FY 1988 level were disallowed. Many of our highly qualified flying training instructors are now leaving the AGR program to fly with the airlines because they view the AGR program as unstable and their chances for promotion slim. This career program must be allowed to mature.

With the support of Congress, the Air National Guard will continue to accept the challenges of the future. While preparing for the future, we are confronted today with modernization needs. Our C-130A/Bs has severe supportability problems due to age. In the F-15, F-16, C-141 and C-5 missions, we are experiencing serious support equipment shortfalls. Our fighters are generally early model aircraft that require avionics systems upgrades to be competitive against the current threat. Specifically, we seek improvements to the F-15A/B through the Multi-Stage-Improvement Program (MSIP). Also, due to the maintenance-intensive older engines in both our F-15s and F-16s, we are experiencing problems with adequate numbers of serviceable spares. In addition, our tactical and strategic airlift forces have no electronic capability for threat detection and no self-protection systems. We need to remedy all of these areas and we plan to actively work with the Major Commands, USAF and Congress to examine and fix these problem shortfalls.

FORCE STRUCTURE

QUESTION. In fiscal year 1989, the Air Force proposed to reduce several aircraft from the Reserve/Guard inventory. These were:

4 C–130B at Peterson AFB, Colo
1 H–3 at Homestead, Fla
1 HC–130 at Portland IAP, Ore
1 AC–130 at Duke Field, Fla
4 C–130 at Nashville, Tenn
1 HC–130 at Suffolk Co., Airport, NY and
1 H–3 from Moffett Field, Calif

Congress directed that these reductions not be made and restored the funding associated with personnel, flying hours, and depot maintenance.

Why are these force structure reductions again proposed in the fiscal year 1990 budget? What impact do these reductions have on the missions of the Air Force Reserve and Air National Guard?

General SCHEER. These were proposed as part of the overall reduction effort on the part of the Air Force in response to the fiscal constraints of a decreasing budget. The Air Force has proposed these cuts again due to fiscal constraints.

Any time budget constraints are imposed our ability to carry out our mission is reduced. In this case, the reduction does affect intratheater airlift, rescue, and special operations.

General KILLEY. Force structure reductions reinstated by Congress are not considered to be in a sanctuary by the Air Force. Their budgetary cost cutting philosophy continues to be "share the hurt," thus any force structure, reinstated or not, remains eligible for future reductions. Reductions not reinstated translate into a loss of mission/combat capability.

QUESTION. In converting the older F–4s and A–10s from the Reserve/Guard inventory to F–15s and F–16s, the Air Force has proposed to downsize the unit from 24 aircraft to 18 aircraft.

Why is this necessary?

General SCHEER. In the Air Force Reserve, 24 aircraft F–4D units were programmed to reduce to 18 aircraft F–16 units upon conversion. Fiscal constraints necessitated the deactivation of active fighter units. To keep the current Active/Reserve fighter mix stable required a like percentage of fighters in the Reserve to be drawn down.

General KILLEY. Rather than close Reserve/Guard units as part of the budgetary reduction process, the Air Force has elected to downsize units from 24 to 18 aircraft during their modernization. This is viewed as a better alternative to closing or eliminating entire units.

QUESTION. It is your intention to later restore the unit size as aircraft and funds are available?

General SCHEER. Yes, if the budget allows and defense requirements justify.

General **Killey**. Given the aircraft and appropriate resources, the Air National Guard intention is to recoup the lost force structure.

Question. What impact do you believe this turbulence will have on the personnel in these units, on these units themselves?

General **Scheer**. Anytime you are forced to "lay off" trained personnel turbulence is created. However, the long time effect on the remaining people and unit is negligible.

General **Killey**. Downsizing reserve units translates into a smaller full time workforce and fewer traditional Guardsmen. These reductions cause the loss of technical experience that will be impossible to "hire back" during future expansion. Previous reductions have caused a decrease in morale and productivity within the entire unit that lasts well beyond the conversion date.

Question. Are there any Reserve units that are being downsized without a resultant coversion? If so, which ones and why?

General **Scheer**. The Air Force has announced downsizing of four units in FY 1990, none of which are experiencing conversions. The units are:

302 TAW, Peterson Field, CO: −4 C-130B
301 ARRS, Homestead AFB, FL: −1 HH-3E
711 SOS, Duke Field, FL: −1 AC-130A
403 ARRS, Portland IAP, OR: −1 HC-130H

These were proposed as part of the overall reduction effort on the part of the Air Force in response to the fiscal constraints of a decreasing budget. The Air Force has proposed these cuts again because the reasoning which made the reductions fiscally sound in 1989 also apply in 1990.

General **Killey**. In fiscal year 1989, the Air Force proposed to reduce several aircraft from the Air National Guard inventory. These were:

4 C-130 at Nashville, TN
1 HC-130 at Suffolk Co. Aprt., NY and
1 H-3 from Moffett Field, CA

These were added back by Congress for one year. In FY 1990, the above changes and the following will occur:

−4 C-130 at Channel Island
−8 C-130 at Nashville, TN (additional 4PAA reduction)

Downsizing is budget driven.

Question. For the record, provide what resources (dollars and manpower) would be required to reinstate these units again this year. By location, provide aircraft, drill strength, civilian strength and dollars amount by account. If possible, put the locations in priority order of mission impact.

General **Scheer**.

[Dollars in millions]

Location	Aircraft	Drill	Civilian	O&M (3740)	RPA [1] (3700)	AP, AF [2] (3010)
Peterson Field	4 C-130B	119	32	$2.98	$0.94	$1.17
Duke Field	1 AC-130A	70	17	1.56	.63	.41
Portland IAP	1 HC-130H	37	10	.89	.32	.32
Homestead AFB	1 HH-3E	14	5	.46	.15	.10

[1] Reserve personnel appropriation.

[2] Aircraft procurement, Air Force: Includes ground equipment/aircraft and ground equipment spares.

General KILLEY. Impacts are as follows:

Channel Islands, California (146th TAC Alft Wing): Add 4 PAA C-130E to build the unit from 12 PAA to 16 PAA C-130E during 1st Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+4
Flying hours	+1,305
Technicians	+47
Drill officers	+30
Drill enlisted	+122
AGR officers	+0
AGR enlisted	+11
Cost by appropriation (in millions):	
3010	+0.585
3840	+2.762
3850	+.682
Total cost	+4.029

March AFB, California (163rd TAC Ftr Group): Add 6 PAA OA-10 to build the unit from 18 PAA to 24 PAA OA-10 during 2nd Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+6
Flying hours	+758
Technicians	+28
Drill officers	+10
Drill enlisted	+34
AGR officers	+0
AGR enlisted	+7
Costs by appropriation (in millions):	
3010	+0.288
3840	+1.315
3850	+.286
Total cost	+1.889

Moffett Field NAS, California (129th Air Rescue & Recovery Group): Adds 1 PAA CH-3 in 1st Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+1
Flying hours	+256
Technicians	+5
Drill officers	+2
Drill enlisted	+1
AGR officers	+0
AGR enlisted	+0
Costs by appropriation (in millions):	
3010	+0.025
3840	+.521
3850	+.031
Total cost	+.577

Andrews AFB, District of Columbia (113th TAC Ftr Wing): Adds 6 PAA F-16 to build the unit from 18 PAA to 24 PAA F-16 in 2nd Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+6
Flying hours	+672
Technicians	+20
Drill officers	+2
Drill enlisted	+63

	FY 1990
AGR officers	+1
AGR enlisted	+3
Costs by appropriation (in millions):	
3010	+1.135
3840	+1.358
3850	+.302
Total cost	+2.795

Capitol, Illinois (183rd TAC Ftr Group): Adds 6 PAA F-16 to build the unit from 18 PAA to 24 PAA F-16 in 1st Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+6
Flying hours	+896
Technicians	+20
Drill officers	+2
Drill enlisted	+63
AGR officers	+1
AGR enlisted	+3
Costs by appropriation (in millions):	
3010	+1.135
3840	+1.633
3850	+.302
Total cost	+3.070

Suffolk County Airport, New York (106 Air Rescue & Recovery Group): Restores 1 PAA HC-130P to the unit. Anticipated impacts are:

	FY 1990
PAA	+1
Flying hours	+300
Technicians	+8
Drill officers	+4
Drill enlisted	+2
AGR officers	+0
AGR enlisted	+0
Costs by appropriation (in millions):	
3010	+0.135
3840	+.732
3850	+.061
Total cost	+.928

Nashville, Tennessee (118 TAC Alft Wing): Adds 8 PAA C-130H to build the unit from 8 PAA to 16 PAA C-130H in 1st Qtr FY 1990. Anticipated impacts are:

	FY 1990
PAA	+8
Flying Hours	+2,523
Technicians	+67
Drill officers	+49
Drill enlisted	+216
AGR officers	+2
AGR enlisted	+20
Costs by appropriation (in millions):	
3010	+1.176
3840	+5.002
3850	+1.871
Total cost	+8.049

ACTIVE VERSUS RESERVE UNITS

Question. Former Navy Secretary Lehman in a news article stated that the United States needs to change the balance between active and reserve forces. He indicated that each Service has too much of its force structure on full-time active duty. Why are your views on the current active/reserve mix of our forces?

Do you agree with his assessment?

General **Scheer.** Much has been written and spoken recently concerning major restructuring of the United States Air Force—specifically, the increased transfer of missions to the Air Reserve Forces. We think the current force mix is about right. It provides an adequate pool of trained personnel to the Reserve forces without which we would be unable to maintain current readiness levels. If the Reserve forces were to significantly expand at the expense of active force levels, this pool of training personnel would diminish to the point where, at some future date, it could be inadequate to meet Reserve manpower requirements. The untrained would then have to replace the trained, thus raising costs and reducing readiness. Perhaps some fine tuning of the existing force is prudent, but significant changes in the mix, before a clear indication of a reduced military threat, would be unwise.

General **Killey.** For the Air Force, current force mix of Active to Air Reserve Component provides a good balance that supports our national strategy and military objectives. The current force mix provides the Air Force with the capability to respond to peacetime contingencies without substantial augmentation from Air Reserve Component forces. During wartime (national emergencies), the Active component provides the foundation needed for both Active and Air Reserve components to be successful as a Total Force. We must continue to realize that the Air Reserve Component is structured, manned, and equipped to augment the Air Force during emergencies requiring rapid and substantial expansion of Air Force combat capability. We are not meant to replace the Air Force in accomplishing the various tasks requiring high peacetime activity.

The current active/reserve force mix provides a necessary balance between active and reserve component forces to achieve our national security objectives. It is necessary to have a significant portion of the CONUS based forces in the active component to provide the necessary rotational base for overseas based forces. If decisions are made that change the number of overseas based units, I am confident that the Air National Guard can make an even greater contribution to our nation's defense through cost effective and efficient growth and modernization of our existing flying and non-flying units. Air Guard units have clearly demonstrated that we are no less capable or combat ready than our active duty counterparts and can respond as quickly as necessary to meet national security objectives. However, there are certain missions that are most appropriately reserved to the active components due to high peacetime activity levels or training requirements which must be considered when decisions are made to transfer additional force structure to the Guard or Reserves.

Question. Lieutenant General Hickey testified before the Committee that anytime you start looking at transfers of functions (in this case pilots) from the active force to the Reserves or the Guard forces, then you reduce your ability to grow them on the active duty force and you increase demand for more of them in the Guard and Reserve force. Do you agree with his assessment?

General SCHEER. We concur with General Hickey. As more cockpits are transferred from the regular Air Force to the ARC, the requirement for active duty UPT production must go down. It cannot remain higher than crew ratios and supervisory positions mandate, because there will be no room to absorb additional pilots. Crew ratios are determined by wartime requirements and associated utilization rates. Increasing them would have the effect of lowering readiness by imposing a greater training load than resources could bear.

Nor would increasing the number of UPTs obligated to Air Force Reserve have a positive effect. Our flying hour program is based on the requirements of an experienced force. Substantially increasingly the UPT population would drive up requirements for flying hours, flight instructors, maintenance personnel and other support while reducing the validity of the primary reason for transferring a mission initially—the thought that it is less costly to operate a weapon system in the Reserve than it is on active duty.

Our primary source of pilots is from the active force. As the effects of lowered active duty pilot production and longer active duty service commitments are felt, the pool of pilots available to join the Guard and Reserve would shrink. There is a point, yet unknown, at which our demand would outstrip the active force supply.

General KILLEY. General Hickey is correct in his assessment. Transferring cockpits from the active to the reserve component reduces the number of pilots which can grow in experience while on active duty. This transfer also increases the number of pilots needed by the air reserve component (ARC) to sustain a ready Reserve force.

Reducing the number of pilots who can grow on active duty also reduces the potential source of experienced pilots available to the ARC. Depending on the size of the force structure transfer to the ARC, reserve component requirement for pilots could exceed the number of experienced pilots applying for Guard or Reserve duty. This would require a greater reliance on Undergraduate Pilot Training (UPT) inputs to make up the difference.

Increasing the number of UPT inputs into the ARC shifts the requirement to grow these pilots from the active force to the Guard and Reserve. While a continued UPT input is important in maintaining a balance of experience within individual units, larger inputs require a higher level of activity to insure a sufficient state of readiness for a pilot force of lower average experience. This higher activity level is manifested by additional sorties used to train pilots of lesser experience and ultimately results in higher costs.

QUESTION. General Hickey also testified that while the Guard and Reserve are superb and have great combat capability, they lend themselves to specific kinds of missions—that they are very capable in a low-intensity environment when they can maintain the combat readiness of an experienced pilot at a lower sortie rate per month. He stated that they are given a single operational capability while utilizing the active force with a higher intensity of combat sortie flying. To utilize the Guard and Reserve at the same rate, you would quickly start losing any cost advantage. Do you agree with his assessment?

General **Scheer**. Yes, I believe the only reasons we have a Reserve is that, because of the highly trained individuals in the Reserve, our country can maintain a highly credible combat force at considerably lower training costs. If we were to utilize the Reserves at the same rate and for all the same things as the active force, the Reserve would no longer be the Reserve. The question as to how much the Reserve would cost if asked to do all the same things is moot, since our people can ill afford more time away from civilian jobs and family.

General **Killey**. The Guard and Reserve provide a ready force structure capable of performing our designed operational missions as part of our total force effort. General Hickey is correct in his assessment that Air Reserve Component (ARC) units are able to maintain this capability at a lower level of operational activity than active duty units.

The ability of the ARC to maintain this necessary capability at a relatively low activity level is the direct result of its highly experienced pilot force. Once a pilot becomes experienced, there is no longer the requirement to fly as many training sorties as a pilot with little experience. The reduced activity level of the ARC has inherent cost advantages which begin to diminish as activity levels are increased.

This reduced activity level should not be construed as reduced combat capability. ARC units maintain the same spectrum of conventional capability as their active duty counterparts.

Question. Provide the sortie rate, by aircraft for the active, reserve, and guard forces.

General **Scheer**. Only tactical fighter aircraft train using a "sortie rate." Graduated Combat Capability (GCC) [training] levels are listed in the table below on a monthly basis. The number of sorties listed for each component have been determined by the component as the number required to maintain proficiency at the GCC level and are forwarded to the gaining MAJCOM (TAC).

Sorties/Half	F-4		F-16		A-10	
	Inexperienced	Experienced [1]	Inexperienced	Experienced	Inexperienced	Experienced
GCC level A:						
Active	8	7	9	7	8	7
Reserve	7	5	7	5	7	5
Guard	5	5	5	5	5	5
GCC level B:						
Active	11	9	12	9	12	9
Reserve	8	7	8	7	8	7
Guard	8	6	8	6	8	6
GCC level C:						
Active	14	12	16	13	14	11
Reserve	10	9	10	9	10	9
Guard	11	9	11	9	11	9

Experienced is defined as a pilot who has greater than 500 hours in his current aircraft, or greater than 1,000 hours as a first pilot or instructor pilot in a previous aircraft plus 300 hours in his current aircraft.

General **Killey**. Only tactical fighter aircraft train using a "sortie rate." Graduated Combat Capability (GCC) training levels are listed in Table 1 below on a six month basis. The number of sorties for each level of training is the same for all Tactical Air Command (TAC) gained ANG weapon systems, F-4D/E, RF-4, A-7, A-10, F-15, and F-16.

TABLE 1

Sorties/Half	Inexperienced	Experienced [1]
GCC level A	30	30
GCC level B	44	36
GCC level C	65	51

[1] Experienced is defined as a pilot who has greater than 500 hours in his current aircraft, or greater than 1000 hours as a first pilot or instructor pilot in a previous (non fighter) aircraft plus 300 hours in his current aircraft, or a pilot previously experienced in another fighter plus 100 hours in his current aircraft. The primary design operational capability of the Air National Guard units is identical to the active Air Force of like aircraft. The unit capabilities are designed and funded to deploy the full spectrum of warfare to include but not limited to low intensity. There is no distinction between Air National Guard and Reserve forces in the war-time tasking process.

Question. Provide for the Air Force Reserve what additional roles the reserve components can contribute to the "Total Force" concept. Where possible, also provide what additional resources (dollars and personnel) would be required.

General **Scheer**. The Air Force Reserve is already included in virtually every compatible mission that the Active force is involved in. We provide greater than one-half of the airlift force, and combined with the Air National Guard, we contribute over 30% of the tactical fighter forces. The Air Force has truly sought to internalize the "Total Force Concept". We are equipped with the latest equipment, and the Air Force ensures we get the dollars required to keep our forces ready to fight and win. We share the "hurt" of reduced budgets with the active forces. If new missions, or additional force structure in present missions, are transferred to the Air Force Reserve, we work through the DoD and USAF PPBS system to ensure that appropriate resources are requested for the mission.

General **Killey**. New missions for the Air National Guard are Air Force initiatives and as such are programmed and funded by the Air Force. The best assistance the Air National Guard can be to the country is through robusting its existing units. Robusting existing units enhances the wartime capabilities of the Air Force and reduces the peacetime costs associated with current missions due to the drawdown of active duty units. It would also be prudent to accept increases in current missions where we have developed a wealth of personnel and experience. If the Air Force would like for us to assume more of a particular type mission we currently perform, it would be easy for the Air National Guard to expand its role in the performance of this mission. It would be extremely difficult to quantify the broad brush costs associated with robusting units due to the diversity of each unit. Air National Guard unit locations, population pools, and environmental aspects of growth all lend themselves to the unquantifiable equation. Therefore, without discussing specific types of aircraft and units to robust or change missions, cost estimates would be difficult to obtain.

WC-130 WEATHER RECONNAISSANCE PROGRAM

Question. The fiscal year 1990 budget proposes to transfer the hurricane reconnaissance mission to the NOAA. Since that time, the Committee has been notified that this transfer will not take place and that the Air Force was going to place sufficient WC-130 assets in the Air Force Reserve unit at Keesler Air Force Base, Mississippi, to ensure that hurricane reconnaissance coverage for the Atlantic, Gulf of Mexico, and the Caribbean Basin.

General Sheer, is that the current plan of the Air Force?

General **Scheer.** You have correctly characterized the current Air Force position.

Question. Under this plan, how many aircraft and manpower will be added to the Air Force Reserve?

General **Scheer.** Presently the Air Force Reserve has four WC-130's at Keesler Air Force Base. Our manpower stands at 62 civilians, and 56 drill. The Air Force proposal would increase our aircraft to six WC-130's (plus two backup aircraft). Our manpower would increase to 145 civilians and 137 drill.

Question. Do you believe the Air Force Reserve will be able to recruit sufficient and qualified manpower to support this plan?

General **Scheer.** We are confident that we can recruit sufficient and qualified manpower to support this plan.

Question. What happens to the active assets which are not transferred?

General **Scheer.** I believe that the active assets will be retired to the Aerospace Maintenance and Regeneration Center at Davis-Monthan AFB, AZ.

Question. For the record, provide a comparison of aircraft and manpower from the current situation to the Air Force proposal of putting the assets in the Reserve.

General **Scheer.** Presently the Air Force Reserve has four WC-130's at Keesler Air Force Base. Our manpower stands at 62 civilians, and 56 drill. The Air Force proposal would increase our aircraft to six WC-130's (plus two backup aircraft). Our manpower would increase to 145 civilians and 137 drill.

Question. For the record provide a comparison of aircraft and manpower from the current situation to proposal which includes sending all 24/3BAI aircraft to the Air Force Reserve?

General **Scheer.** There are only 12 weather reconnaissance configured C-130 aircraft in the Air Force inventory. With that in mind, we have taken a look at the comparison of the current situation and an Air Force Reserve 10 PAA/2 BAI unit:

	Current	Proposal
Aircraft	4PAA	10PAA/2BAI
Civilians	62	208
AFRES drill	56	286
Cost FY 1990 (millions)	$5.1	$19.45

Question. What additional assets would be required?

General **Scheer**. The following additions to our current situation would be required if we were given the task to support the proposal:

Aircraft: 8 WC-130's
Civilians: 146 civilian positions
Drill: 230 drill positions
Budget authority: $14.35 million

Question. Do you believe the Air Force Reserve will be able to recruit sufficient and qualified manpower to support this proposal?

General **Scheer**. We believe that we will be able to recruit sufficient and qualified manpower to support the proposal.

Question. General Scheer, do you know if the Bush budget amendment plans to transfer the hurricane reconnaissance mission and assets to the Air Force Reserve?

General **Scheer**. Air Force plans as reflected in President Reagan's initial FY90/91 Budget included support for the WC-130 mission for the near future. After initial exploratory talks between the Air Force and the National Oceanic and Atmospheric Administration over possible transfer of the WC-130's fell through, the Air Force made a commitment to continue support for the manned weather reconnaissance program by placing sufficient assets in the Air Force Reserve unit at Kessler Air Force Base. However, with further significant reductions in the DoD budget, the final proposal from OSD does not include continued funding for the program.

Question. If no, provide a detailed rationale as to how the Air Force Reserve will be able to ensure hurricane reconnaissance coverage for the Atlantic, Gulf of Mexico, and Caribbean Basin?

General **Scheer**. Under the proposed DoD revised budget the Air Force Reserve will be unable to provide any weather reconnaissance coverage.

Question. Who will provide the coverage?

General **Scheer**. If the mission is clearly a national priority, the administration and Congress will work a decision on how to best support the requirement.

DRUG INTERDICTION EFFORTS

Question. The Congress is very concerned about the amount of drugs entering this country and has provided the Department of Defense $300 million in fiscal year 1989 to help combat this problem.

What role do you play in determining when and how much each of the Air Force Reserve can be utilized in the drug interdiction efforts of the Defense Department?

General **Scheer**. I have given Headquarters Air Force Reserve the authority to work all drug interdiction missions. This expedites our response and provides better service to our customers. When a need arises, law enforcement agencies request our support within existing laws to all requests to support drug interdiction.

General **Killey**. The 1989 Defense Authorization Act stated that the Secretary of Defense could provide funds to the governor of a state that developed a plan for employment of its National Guard in drug enforcement. Under that legislation, the National Guard Bureau reviews those state plans, and then forwards the plans to the Secretary with recommendations. Thereafter, we maintain contact with the Joint Chiefs of Staff and provide guidance to the states in an attempt to coordinate national and local efforts. It is the governor of each state, however, who determines when and how much the Air National Guard can be utilized in the drug interdiction efforts of the Defense Department.

QUESTION. Do you have any reservations about involving your component in this effort?

General SCHEER. No.

General KILLEY. The primary peacetime federal mission of the Air National Guard is to train for combat. We must insure that the missions performed by Air National Guard units in support of drug interdiction are consistent with training requirements and does not adversely impact ability to train. Also, we must insure that the units are adequately trained to perform the drug interdiction mission.

In many cases, the missions that we are being asked to perform provide valuable training oriented to the units combat tasks. However, some of the proposed drug interdiction support missions have limited wartime application or require additional training for our personnel. For example, day to day training for our tactical reconnaissance unit focuses on the exploitation of military targets, not the identification of cultivated marijuana fields. Some additional training may be necessary before we can provide a significant contribution in this area. Similarly, our tactical fighter and fighter interceptor units do not routinely train to intercept and identify small, low, and slow flying drug smuggling aircraft; and our tactical ground-based radar units are not trained to distinguish smugglers from legitimate small private aircraft. We are continuing to assess the potential impact on wartime mission training and the ability of Air Guard men and women to be available for this additional mission. With today's complex aircraft and missions, it takes every available training period to meet our readiness goals. The impact on manpower is not known. The planning and coordination required, particularly at the national level, was not anticipated and has not yet been fully realized. It is clear, however, that additional resources are needed at the national level for oversight of the program.

QUESTION. Do you believe the Air Force Reserve and Guard is utilized to its fullest? What additional roles can your component play?

General SCHEER. The Air Force Reserve has responded to all requests to support drug interdiction, we are not being utilized to our fullest capability.

Our current role in drug interdiction is primarily aerial surveillance and reporting of suspect aircraft. The FY 1989 DOD Appropriation Act made detection and monitoring of drug traffickers a primary mission of the DOD. This gives us the opportunity to generate dedicated air interdiction missions to intercept suspect aircraft outside the CONUS and track into the US. We can also provide additional airlift to include the transport of arresting crews as long as we are not directly involved in the arrest. Our primary role should be flying support, however, we could also provide ground personnel, equipment, vehicles, and facilities on request.

General KILLEY. The National Guard has supported civil authorities in drug enforcement for several years. We did not seek that mission, partly because our primary mission is national defense and partly because we have been unaware of our capabilities in drug enforcement. Thus, drug enforcement support by the National Guard has been sporadic and based on specific requests from law enforcement agencies.

Under the 1989 Defense Authorization Act, the National Guard contacted law enforcement agencies and solicited requests for support. Previously, we merely responded to requests for support from civil authorities; more recently, we actively approached civil authorities and asked to participate in the war against drugs. Our capabilities in drug enforcement have yet to be assessed, so our participation this year has been, and will be, extremely tentative. The Air National Guard has not been, and will not be, fully utilized in FY 1989.

The Air National Guard can, and will, have an expanding role in drug enforcement support. We have aerial photo capability which can be employed. We have ground-based and aerial radar equipment. Finally, and perhaps, most significantly, we have people with a variety of knowledge and skills who are dedicated to their country and their communities. When all of these resources are brought to bear, then the Air National Guard will be fully utilized and our contribution to the national effort will be significant.

GI BILL

Question. The Reserve Forces Policy Board during its quarterly meeting in December 1988 recommended that the Montgomery GI Bill should be amended to provide benefits for those attending trade or vocational schools.

Do you support this proposal?

General **Scheer.** Indications from our field commanders are that there is a high interest level in vocational-technical training, and that participation in the Montgomery GI Bill program would increase. However, I am concerned about the costs of this program, particularly if they have to be absorbed from within our approved funding level for other required military skill training. We don't want to reduce our military skill training.

General **Killey.** There is a high degree of interest within the ANG in vocational-technical training. The expanded benefits should not only increase our participation levels, but more importantly, it enhances the knowledge level of the member which in turn provides a better asset to the community and the ANG. However, the ANG is concerned about the costs of this program, particularly if it must be absorbed from within our approved funding level for other more critical programs.

Question. The GI Bill is considered to be a good recruiting and retention tool. Do you agree? Do you believe expanding it to trade and vocational schools will have a further impact on recruiting and retention?

General **Scheer.** We agree that the Reserve Montgomery GI Bill is a good recruiting and retention tool. Air Force Reserve enlistments, reenlistments, and extensions improved significantly in the first 18 months following enactment of the 1985 Montgomery GI Bill. Our overall retention and participation rates have steadily increased since 1986. The extension of vocational-technical training benefits would expand the size of the eligible Reserve population and increase the number of participants. We expect this would improve both recruiting and retention even more. However, we are concerned about the added costs which we will probably have to absorb by giving up other higher priority programs. We don't want to do that.

General KILLEY. Yes. By extending the educational programs outside purely baccalaureate pursuits it should be an even better recruiting and retention tool. This provides an incentive for those high school graduates who are vocationally oriented to pursue those goals with financial assistance not available within the civilian sector. However, the ANG is concerned about the costs of this program, particularly if it must be absorbed from within the approved funding level for other more critical programs.

QUESTION. Provide by component for fiscal years 1987, 1988, 1989, and 1990 the number of personnel who utilized the GI Bill and the amount of payments. Also, provide how much additional would be required in fiscal years 1989 and 1990 if the GI Bill was extended to include trade and vocational schools.

General SCHEER. The following are utilization and expenditure figures:

	Fiscal Year—			
	1987	1988	1989	1990
Participants	4,585	6,535	8,099	10,766
Dollars in millions	4.7	7.9	10.8	13.9
Estimate of additional cost			0.5	2.1

General KILLEY. The MGIB is administered by the VA. Each component does not have separate data showing use and amount of payments for MGIB participation. We have to obtain that data from DMDC or the VA. The following statistics were provided by DMDC. Their data is tracked cumulative. Data beyond 4/1/89 is not available. Estimates beyond that date are ANG projected estimates, based on DMDC numbers from 1987 through April 1, 1989. The ANG, like the other reserve components, provides funds monthly based on eligibility data in our personnel data system.

	Number (cumulative)	Dollars (cumulative)
Year:		
1987	10,430	$11,160,928
1988	13,953	17,875,912
1989 (4/1/89	16,166	22,709,751
1989 (estimate)	17,476	24,546,241
1990 (estimate)	20,999	29,498,368

Cost inputs by the individual reserve components were modified by the DOD Actuary. Their projected costs for the ANG indicate a first year Normal Cost Estimate of $3,381,211 for Votec Training. Their Estimate of Normal Cost Contribution, Per Year (steady state), for the ANG is $1,644,254.00.

RECRUITING

QUESTION. The Committee is aware of a situation of recruiting malpractice at a Marine Corps recruiting station in Pittsburgh. The main area of malpractice was encouraging potential recruits not to divulge their involvement with the law, their involvement with drugs, or known medical conditions. Another area was the manufacturing of high school diplomas.

Are you confident that the recruiters in your component do not involve themselves in recruiting malpractices?

General SCHEER. We are confident that our Air Force Reserve recruiters have not been involved in these types of recruiting malpractices. Should any such tactics be brought to our attention, you can be assured that the recruiters involved would no longer be part of our recruiting team.

General KILLEY. Air National Guard Recruiters are trained from the start about the importance for their integrity and their responsibility as representatives of the Commander, the Air National Guard and the Air Force. This is reinforced continually throughout their career as recruiters in refresher training, seminars, and in day-to-day activity by their supervisors. We do not tolerate malpractice of the type identified in the question nor can the military afford to tolerate this type of activity within the Department of Defense. Malpractice is acted on immediately when found. The system usually identifies cases shortly after recruits arrive at Basic Training. Fortunately, we cannot recall the last case of malpractice (as defined in your question) in the ANG. Cases are forwarded to the state/commander concerned for immediate action as appropriate.

QUESTION. One possible theory is that recruiters, who work 60 plus hours a week, are under pressure to make a certain quota and failing to do so can result in a transfer or termination.

Do the recruiters in your component have a quota to make and what action is taken if a recruiter fails to make his quota?

General SCHEER. As part of our efforts to achieve reserve endstrength each year, our AF/RE, HQ AFRES and HQ ARPC staffs jointly develop recommended recruiting goals based on programmed growth, unit conversions, and anticipated losses. Our Numbered Air Force Commanders, with input from their Wing and Group Commanders establish the actual recruiting goals for their units based on our staff recommendations and their own estimations. These goals are broken down to the recruiter location level, where a team effort by all recruiter at that location contribute to meeting our goals. We do not emphasize individual recruiter quotas, but rather a recruiting team effort aimed at the location goal. Individual recruiters are given a portion of that location goal to meet each quarter. Failure to achieve their portion of the goal for two consecutive quarters places the recruiter in a "deficiency training" status under the supervision of his senior recruiter.

General KILLEY. Recruiters in the Air National Guard do not have quotas, however, there is some tracking of productivity as a measure of performance or a need for additional training. Our recruiters know their job is to ensure we have the personnel to meet our wartime personnel taskings. That is their first recruiting priority. We recommend to commanders to review cases on an individual basis and consider why recruiters are not meeting established goals. The first thing we look at is training—has the recruiter been thoroughly trained in the job? Next we look at the environment in which they operate—is their mission clear? We use the acronym "SMART" in our guidance for setting goals and evaluating performance. Are their goals Specific, Measurable, Attainable, Realistic, and Trackable.

When poor performance is identified, we ensure recruiters have an opportunity to improve performance and provide even more specific guidance on the areas needing improvement—plus we ensure enough time is provided to make necessary changes. Performance is perhaps the most important but not the only factor considered for continuation in recruiting assignments.

Question. For the record, would each of you provide the number of recruiters and the dollars expended for recruiting (excluding advertising) for fiscal years 1987 and 1988, and estimated from 1989 through 1991.

General Scheer. For the Air Force Reserve the figures are:

[Dollar amounts in thousands]

Fiscal Year	Personnel		RP, AF	O&M USAFR	Total
	Civilians	Reservists			
1987	44	330	$13,914	$2,820	$16,734
1988	41	321	16,181	2,631	18,812
1989	55	349	18,040	2,922	20,962
1990	55	363	18,968	2,995	21,963
1991	55	377	20,588	3,186	23,774

General Killey.

[Dollar amounts in millions]

	Number of recruiters	Dollars expended or estimated [1]
Fiscal Year:		
1987	422	$18.535
1988	411	17.745
1989	419	[2] 20.897
1990	419	22.436
1991	421	23.077

[1] Doillars do not include enlistment bonuses.

[2] Increase for Military Entrance Processing System (MEPS) expenses (meals, lodging, and transportation) that had not been previously funded by the Air National Guard.

SELECTED RESERVE PERSONNEL

Question. The Air Force Reserve end strength for fiscal year 1990 is 84,800, which is an increase of 1.4 percent over last year.

General Scheer, what impact does this small growth have on the Air Force Reserve?

General Scheer. The small growth in Selected Reserve end strength within the Reagan Budget is due in part to growth in our KC-135 tanker force of 6 aircraft (2 at our three bases) and a relatively small growth in Individual Mobilization Augmentees (IMAs) and medical service personnel. I believe that this net growth of 1.4 percent is an accurate reflection of what the Air Force Reserve needs to support the programmed force structure. If our force structure is increased, appropriate end strength increase will be required.

QUESTION. Is your force structure being frozen? If not, how will the Air Force Reserve accomplish its missions?

General SCHEER. No, the Air Force Reserve's force structure is not being frozen. There are a number of force structure changes occurring within the Air Force Reserve which affect its manpower strengths. These changes together with other mission support increases contribute to an overall growth, albeit, small. An example of the mission support growth is found within our medical service units. The Air Force Reserve will continue to accomplish its missions in the same manner that is has done them in the past. That is, with the same spirit and camaraderie that have been a part of the Reserve since its inception. We continue to operate in good concert with the Active Force and receive the monetary and materiel support that we require. The close association and support that we have had with the Congress have been most beneficial in securing the needs of the Air Force Reserve. We wish to have that continued support and association in the future.

QUESTION. Why is this growth in full-time support necessary if the strength of the drilling reservists is growing at a slower rate?

General SCHEER. The 1.4 percent growth in Selected Reserve between fiscal years 1989 and 1990 considers an increase of 1,185 Reservists (including full-time support); whereas, the 2.1 percent increase in full-time support during the same period considers only 14 personnel. These 14 personnel are recruiters, medical recruiters, who will help recruit the remaining 1,171 increase in requirements.

QUESTION. The Air National Guard end strength for fiscal year 1990 is 116,300, which is a 1.2 percent increase over last year. General Killey what impact does this small growth have on the Air National Guard?

Is your force structure being frozen? If not, how will the Air National Guard accomplish its mission?

Within the Selected Reserve, the full-time support personnel have increased 7.3 percent, while the drilling reservists have increased by .7 percent? Why is this growth in full-time support necessary if the strength of the drilling reservists is growing at a slower rate?

General KILLEY. The growth in the budget is sufficient to support the specific new requirements programmed for FY 1990. However the funded level of 116,300 is 4,562 short of our authorized requirements of 120,862. The funding request supports 96.2% of our wartime requirements. A higher manning level is desired.

Air National Guard force structure is not frozen. As we have noted, units have been cut in size. Mission impact is a quantity issue as less force size renders less mission capability. It is a quality issue in that the lay off of people is generally a loss in experience to the total force.

The Air National Guard has requested growth in both for FY 1990 (plus 742 drill and 583 AGR for a total of 1,325). However, there is not always a direct correlation between drill and full-time. For example almost 40% of the AGR growth ties to security for protection of vulnerable Air National Guard bases and there is not corresponding increase required for drill. Growth is based on the type of mission to be performed.

Question. Last year Congress appropriated funds for 8,034 AGR positions in the Air National Guard, for an increase of 86 over your budget request.

In information provided to the Committee, the number of AGRs listed in the 1989 column of the fiscal year 1990 request is the authorized number of 7,948 instead of 8,034 as appropriated.

Section 115(b)(1)(A) of title 10, USC allows a two percent increase if the Secretary of Defense determines that such action is in the national interest.

General Killey, why didn't the Air National Guard use the authority of 10 USC 115 as authorization for the AGR ceiling 8,034? [Note.—Army National Guard did not have this problem with their increased AGRs].

General **Killey**. The Authorization conference committee fixed our AGR end strength at 7,948. During budget formulation that was the position used to develop our FY 1989 Military budget request. We would very much like to exceed that number this year by using the two percent authority available in USC 115.

Question. Congress provided $3,286,000 to reinstate 17 force structure reductions and $3,000,000 for 69 additional AGRs. If the funds were not utilized for the intended purpose, what was it used for? Provide a specific detailed accounting for the record.

Also, why wasn't the Committee notified of this transfer of funds since the AGR program is obviously a special interest program of the Committee?

General **Killey**. FY 1989 is a year of unusual fiscal constraint for the ANG. We provided funding for the Montgomery GI Bill ($12.9 million) from established training programs. In addition, our appropriated dollars were reduced by $4.095 million for pay raise absorption. The $6.286 million went to cover part of these items. AGR positions are a top priority of the Guard and we intend to add them in execution as funding becomes available.

Question. General Killey, are you stating for the record that the Air National Guard does not need or want any additional AGRs, and that if Congress provides additional ones in fiscal year 1990 that you will utilize the funds elsewhere?

General **Killey**. The Air National Guard agrees with the FY 1989 Defense Appropriations Bill which recognizes our increased manpower requirements that are being created as we modernize. We need and desperately want both additional AGR's and increased grade ceilings to support this program. We have no intention of moving funds from our AGR program so long as our overall funding level is sufficient to provide a balanced program.

[Clerk's note.—Congress provided additional funds above the budget request and they should have been used for the AGR program.]

FULL-TIME SUPPORT (FTS) PROGRAM

Question. One of the advantages of the full-time support (FTS) program is that it provides an increased level of military skills in units.

What percentage of FTS personnel are not qualified (e.g., MOS qualified) for their duty positions?

Please explain the reasons why these persons are not qualified.

General Scheer. One of the requirements for entry into the technician force is that the member be fully qualified for the job. Therefore, all of our personnel are fully qualified. In certain instances, however, such as when weapons systems change, a technician may need to obtain additional qualification training; however, training is accomplished to raise the level of expertise.

Since the technician is the nucleus of the training contingent for drilling reservists, we adhere to only hiring fully qualified personnel.

General Killey. Air National Guard full time support personnel must be fully qualified in their Air Force Specialty Code for selection as an AGR member. Military technicians must be fully compatible with their mobility position (99.5% comparible today). There may be a few "unqualified" due to conversion to new weapons systems—scheduled training for Full Time Support during conversion will produce fully qualified personnel.

Question. What policies/practices do you follow in allocating these personnel to Selected Reserve units?

General Scheer. We hire fully qualified personnel to fill existing vacancies. No special allocation procedure is applied.

General Killey. Full time requirements are based on the roles and missions assigned to each Air National Guard unit. Once requirements are developed, resources are allocated on a fair share basis. Most Air National Guard flying units are manned at about 91.5% of the required levels. While the Air National Guard is performing at an acceptable level the desired level of manning is 95.0%.

Question. Do early deploying units have more FTS personnel assigned than later deploying units?

General Scheer. Approximately 95 percent of the Reserve units are classified as early deploying, so that does not enter the equation when we establish requirements for FTS personnel.

General Killey. The Air National Guard plans to have all units in a high state of readiness at all times so that any or all units can be deployed without additional training or personnel requirements. Therefore, all are manned at about 91.5% of their required full time level.

Question. If early deploying units are not receiving priority in FTS personnel assignments, provide your rationale for not doing so.

General Scheer. Since nearly 95 percent of the Reserve units are early deploying, we do not use this as a criteria for establishing assignment priority.

OPERATION AND MAINTENANCE

Question. General Scheer, the Air Force Reserve fiscal year 1990 Operation and Maintenance request is $1 billion, a minus 6 percent decrease from fiscal year 1989. Do you believe this level is adequate to support the Reserve in fiscal year 1990?

General Scheer. When the effect of price growth in our FY 1990 request is considered, the actual program decrease is negative 7.5 percent. A portion of the decrease in FY 1990 is attributable to reductions or changes in current programs and one-time costs in FY 1989. However, the Air Force Reserve sustained many funding reductions in FY 1990 that were driven by budgetary constraints which resulted in the loss of force structure, reduced financing for aircraft and facilities maintenance and repair, and the absorption of increased costs for C-5/C-141 Associate flying hours and civilian pay raises and health benefits. To support readiness enhancements in FY 1990, funding is also required for 188 air reserve technicians in our medical and combat support units. To restore each of these programs to the FY 1989 level of effort and to maintain required readiness and combat capability of our aircraft and units, the Air Force Reserve Operation and Maintenance appropriation would require an additional $43 million in FY 1990.

Question. What are your high priority unfunded O&M requirements?

General Scheer. The FY 1990 request for Operation and Maintenance, Air Force Reserve (O&M, USAFR) declines 7.5% from the FY 1989 funded level. If additional funds were available, the following requirements would be funded in O&M, USAFR to enhance readiness and combat capability:

Requirement	*Thousands*
1. Force structure restoration	+$8,184
a. 4 C-130B Peterson AFB, CO	(+2,979)
b. 1 AC-130A Duke Field, FL	(+1,557)
c. 1 HH-3H Homestead AFB, FL	(+457)
d. 6 F-16A/B Tinker AFB, OK	(+2,297)
e. 1 HC-130H Portland IAP, OR	(+894)
2. Additional technicians	+6,443
+188 end strength for readiness enhancements in Air Force Reserve medical and combat support units.	
3. Restore civilian workyears	+5,243
+153 workyears which were reduced to finance absorption of additional civilian pay costs in FY 1990 for increased health benefits and FERS.	
4. Real property maintenance	+10,746
Restore funding for maintenance and repair of facilities to FY 1989 level.	
5. Depot maintenance	+9,602
Restore depot maintenance to FY 1989 level of effort offset by one-time FY 1989 costs and fleet modernization.	
6. C-5/C-141 associate training	+2,740
Unfunded due to increase in cost per flying hour	
Total	+42,958

Question. General Scheer, why does Other Support increase by 10.4 percent over last year? Provide details for the record.

General **Scheer**. The increase in FY 1990 is attributed to price growth on existing FY 1989 programs ($+1.0 million) and the transfer of funding for Disability Compensation Entitlements from the active Air Force Operation and Maintenance appropriation to the Air Force Reserve ($+3.8 million) offset by decreased ADPE rentals ($−0.9 million).

[In thousands of dollars]

FY 1989	38,336
Change	+4,005
FY 1990	42,341
FY 1989 current estimate	38,336
Disability compensation	+3,838
Price growth	+1,040
Other command support increases	+106
ADPE rental decreases due to purchases	−979
FY 1990 request	42,341

Question. Have you received any guidance on how the Bush amendment will effect O&M, Air Force Reserve?

General **Scheer**. FY 1990 and FY 1991 budget adjustments are still being finalized. Details on final changes to the O&M, Air Force Reserve appropriation will be provided as they become available.

Question. The ANG FY 1990 O&M request is $2.1 billion, a 1.9 percent increase over fiscal year 1989. Do you believe this level is adquate to support the ANG in FY 1990?

General **Killey**. Our current ANG, O&M budget submission for FY 1990 funds our requirements and allows us to accomplish one of the most aggressive conversion programs in Guard history. We will have 12 conversions in FY 1990. Any reductions to our proposed budget will adversely impact our ability to accomplish these conversions. It should be remembered that these conversions from the older aircraft result not only in increased mission readiness but also cost savings as a result of operating the newer and more efficient aircraft.

Question. What are your high priority unfunded O&M requirements?

General **Killey**. The Air National Guard O&M unfunded requirements consist of the following:

	Millions
Force structure changes	$13.3
a. Channel Islands, CA (C-130E aircraft)	2.8
b. March AFB, CA (OA-10 aircraft)	1.3
c. Moffett Fld NAS, CA (Ch-3 aircraft)	.5
d. Andrews AFB, D.C. (F-16 aircraft)	1.4
e. Capitol, IL (F-16 aircraft)	1.6
f. Suffolk Co. Arpt., NY (HC-130P aircraft)	.7
g. Nashville, TN (C-130H aircraft)	5.0
ADP and Communications	47.2
a. Rentals of ADP equipment	6.6
b. Purchases of equipment	5.7
c. Equipment maintenance and contract data services	14.5

	Millions
d. Base Information Digital Distribution System (BIDDS)	20.4
C-130 aircraft flying hours	5.7
Real property maintenance	4.0
Support aircraft (C-130) flying hours	.6
Temporary duty travel costs	.5

QUESTION. Why does FY 1990 ANG, O&M Mission Support Operations Activity Group increase by 17.5 percent over FY 1989?

General KILLEY. The 17.5 percent increase in FY 1990 over FY 1989 is primarily the result of: the transfer of funding responsibilities from the active Air Force to the ANG for civilian disability compensation and nuclear, chemical, and biological equipment and supplies, $14.8 million; price growth, $2.2 million; increase of 145 civilian workyears, $5.1 million; and communications-computer systems rentals, equipment purchases, equipment maintenance, and services to be compatible with new active Air Force systems, $18.2 million.

QUESTION. Why does the FY 1990 ANG, O&M Base Support Operations Activity Group increase by 85% over FY 1989?

General KILLEY. Increase of 85% is the result of a functional realignment of ANG Civil Engineering responsibilities into one Activity Group. It was previously split between Flying Operations and Base Operations Activity Groups.

QUESTION. Have you received any guidance on how the Bush amendment will affect O&M, the Air National Guard?

General KILLEY. The FY 1990, Air National Guard, O&M budget is currently undergoing an exercise of fiscal constraints in preparation for the Bush budget. Specific guidance or impact has not yet been finalized.

TECHNICIANS

QUESTION. General Scheer, in testimony before the House Armed Services Committee you mentioned that you are experiencing losses to airlines of not only pilots but of aircraft mechanics as well.

Why is that happening and what impact does this have on the Air Force Reserve?

General SCHEER. As the requirement for airline pilots grows, the pressure on ART pilots to improve their quality of life through higher airline salaries grows as well. The perception that the Government may no longer be the employer to look to for the talented, career-minded individual continues to grow. Civil Service salaries have not kept pace with the military, much less the private sector. Retirement compensation is ever-changing as are employment rights after extended military duty. Consequently, many individuals are leaving for various other civilian careers, while remaining with our units as Reservists.

QUESTION. Sec. 8052 allows the Secretary of the Army or the Secretary of the Air Force to retain in an active status until the age of 60 any officer who would otherwise be removed from an active status and who is employed as a technician in a position in which active status in a reserve component of the Army or Air Force is required as a condition of that employment.

Should this be amended to include NCOs and enlisted members?

General **Scheer**. No. Currently the law does not require enlisted members to separate before age 60. Moreover, there is no prohibition against retaining enlisted members beyond age 60 when it is necessary for Reserve retirement eligibility. Current policy, however, restricts our enlisted members' participation to 33 (36 if selected for HYT continuation) years past their paydate. Our HYT program will be sufficient to manage this force structure issue by Air Force Reserve policy. An amendment to the law is not necessary.

General **Killey**. There is no statutory requirement to separate enlisted members prior to age 60. Legislative relief is therefore not required.

Question. Should this be amended to include all technicians whether or not they are required to be a member of the Selected Reserve as a condition of technician employment?

General **Scheer**. Although we pose no objection to this proposal, all of our technicians are, in fact, required to be SELRES members.

General **Killey**. The purpose of this provision is to allow officer technicians the opportunity to obtain a Civil Service retirement even though maximum military service date considerations would otherwise require them to be separated. Technicians who are not members of the Air National Guard would not be affected by these military considerations. Likewise, technicians who are voluntarily members of the Air National Guard, but not as a requirement for their technician positions, would not be separated from technician status if they separated from the Air National Guard. Therefore the proposed amendment is not needed.

Question. What is the policy of the Air Force Reserve and Air National Guard on retaining a technician even though he may have reached his maximum years in military grade or eliminated by qualitative retention boards?

General **Scheer**. Title 10 allows for the extension of the mandatory separation date of an officer technician in order to allow him or her to achieve retirement eligibility without a reduced annuity. Title 10 does not cover enlisted technicians; however, we apply the same principle through policy—high year tenure (HYT).

General **Killey**. Current law provides flexibility to retain technicians in military status until they have attained eligibility for Civil Service retirement. ANG policy is to retain officers beyond their mandatory separation date under this provision, normally to age 55, when necessary to attain Civil Service retirement eligibility. Enlisted members also normally attain Civil Service retirement eligibility by age 55, well before their mandatory separation date (age 60). However, all officers and NCOs who are eligible for military retirement are perodically considered by Selective Retention Boards. These Boards, which are convened by the Adjutant General in each state, make recommendations for continuation or retirement. Continuation of military service by both officers and NCOs is contingent on the recommendation of the Selective Retention Board and the subsequent decision by the Adjutant General.

EQUIPMENT

QUESTION. General Scheer, how much is requested in the fiscal year 1990 budget for Air Force Reserve procurement of equipment and what percentage of the shortfall will this alleviate?

General SCHEER. The budget for fiscal years 1990 and 1991 (P-1R) reflects a total of $16.4 million programmed for procurement of equipment items in FY 1990. This allocation funds about 18% of the estimated $91.7 million FY 1990 shortfall.

The total equipment shortfall is difficult to measure because we can do little more than take a snapshot of a point in time. The necessary tracking and management systems really are not yet in place to allow the sort of real time visibility necessary to give a completely accurate answer to the question. The shortfall figures cited do not include spares, peculiar support equipment, or munitions. The shortfall total has temporarily grown recently due primarily to the conversion/modernization of Reserve units and some significant additions in authorized equipment requirements Air Force-wide for certain support units. Also, the shortfall will be impaced by some additional changes in Tables of Allowance, some equipment which will be available for redistribution from other Air Force resources, and by receipt of prior year procurement delivery.

We are satisfied that the vast majority of our equipment requirements are being met within the Air Force framework in a equitable and timely manner. We do not do our own procurement. Our requisitions are stacked along with those from other agencies and components. Our shortfalls are based on our requisitions, which respond to what the various Tables of Allowance or missions require. We're part of the Total Force and our shortfall is commensurate with the priority of the missions we've been assigned. If there are exceptions to be made to all of the above, it is in the level of support available to older weapon systems and in the need for defensive systems for virtually all of the aircraft in our inventory. However, the bottomline is that the Air Force's "first to fight, first to equip" system is working well for the Air Force Reserve in the centrally managed equipment accounts.

QUESTION. How much is requested in the fiscal year 1990 budget for Air National Guard procurement of equipment and what percentage of the shortfall will be alleviated?

General KILLEY. The FY 1990/91 Budget P-1R reflects a total of $626.9 million for Air National Guard procurement. This consists of $188.1 million for Aircraft Modifications, $56.1 million Common Ground Equipment, $5.6 million for Initial Spares, and $295.1 million for Replenishment Spares in Aircraft Procurement, Air Force appropriation. In the Other Procurement, Air Force Appropriation, the P-1R reflects $82.0 million in FY 1990 for the Air National Guard. This Aircraft Procurement fully funds the peacetime operating Replenishment Spares that are flying hour related but provides for only 9% of War Reserve Spares Kit (WRSK) requirements. Initial spares are funded consistent with the modifications and common support equipment procurement included in the budget. The aircraft modification program, at $188.1 million FY 90, does not include $37.0 million for Multi-Staged Improvement Program (MSIP) needed for ANG F-15 aircraft, $12.0 million for F-16

Survivability (Have Glass & ALE-40) and $50.0 needed to initiate an Upgrade to the F-15/F-16 F100 engine to the -220E configuration. Common Ground Equipment, $56.1 million will alleviate 56.6% of the $99.1 million shortfall. There is also a shortfall of $61.1 million for aircraft peculiar support equipment and $22.5 million for Missile Support Equipment none of which is included in the FY 90 budget, P-1R. The $82 million included in the Other Procurement, Air Force appropriation combined with $90.5 million in FY 90 which is programmed to support ANG Electronics and Telecommunications Equipment requirements, but erroneously not reflected on the P-1R, will alleviate 35.5% of the $485.9 million shortfall in Vehicles, Base Maintenance Support Equipment and Cryptologic, Electronics and Telecommunications Equipment.

Question. General Scheer, what are the Air Force Reserve high priority unfunded procurement items?

General **Scheer.** First, the continued operation of the HH/CH-3 helicopter fleet constitutes a heavy drain on Air Force Reserve resources. The aircraft are approaching obsolescence and unsupportability, have marginal performance, navigation and communications capability, and are ill-equipped to survive in a wartime environment. Currently all HH/CH-3 aircraft are grounded for serious main rotor deficiencies. Replacement of AFRES helicopter assets with newly procured MH-60G/L helicopters would greatly enhance mission capability. In FY 1989, Congress provided the authorization and appropriation of funds to procure nine MH-60Gs. Sixteen more aircraft would complete the helicopter modernization.

Secondly, we would hope to complete the C-130H procurement for our unit at Youngstown, Ohio. We need two more C-130Hs to complete this unit's conservation from the C-130B. Without these two aircraft, this unit will be operating very inefficiently with two models of aircraft. Also, when the Youngstown conversion has been completed, the Air Force Reserve will still be operating 24 C-130Bs, which are over 30 years old, have inadequate avionics, and are reaching unsupportability in some areas.

Thirdly, the Air Force Reserve needs defensive systems equipment for all of its tactical fighter, tactical airlift, rescue, and special operations aircraft. Aircraft survivability in today's wartime scenario is highly dependent on the ability to recognize threats and either take evasive action or confuse the enemy's rocket or missile. Without defensive systems capability, recognition and reaction is impossible and the consequences are a very low survivability rate.

Question. What are the Air National Guard high priority unfunded procurement items?

General **Killey.** F-15 A/B Multi-Stage Improvement Program (MSIP), F-16 Survivability (Have Glass, ALE-40), Electronic Countermeasures Pods, F-15/F-16 Procedural Trainers.

Question. There have been some instances reported where the dollars requested in the P-1R may have been decreased because Congress provided funds in the dedicated procurement account.

General Scheer, are you aware of any?

General **Scheer.** No, I am not aware of any such instances in the Air Force. This question is evidently the result of a recent GAO report that stated: "The reserve components have not received the full benefit of the Guard and Reserve Equipment Appropriation because it has been partially offset by reductions in the amount of equipment the services planned to buy for the reserve components."

We do not believe the GAO to be correct in the case of the Air Force. The GAO report showed a 1986 "reduction in planned procurement" of $32.1 million from the $180 million planned for the Air Force Reserve. This reduction was actually due to overall Air Force fiscal constraints and had no connection with what the Air Force Reserve received from added Congressional equipment appropriations. In fact, the GAO report states: "The 1987 analysis also showed that with the exception of the Air Force, reductions in the services' equipment appropriations were not equally applied between the active and reserve components." A table accompanying this statement shows that in the case of the Air Force, both the active and reserve components had equal reductions of seven percent of planned procurement in FY1986. Also, in the case of the Air Force, we do not believe that an investigation would turn up any instance where the accounts shown on the P-1R were affected by procurement resulting from the Congressionally added funds. It should also be noted that most of the big dollar items such as new C-130H aircraft have never been requested by the Air Force and have never been reflected in either the President's Budget or the P-1R shortfall.

Due to fiscal constraints and higher priorities, the Air Force has not been able to modernize and fully equip the Air Force Reserve in every mission area as soon as we would prefer. For example, only due to Congressional funds have we been able to retire all of our older C-130A aircraft. We still need to modernize our HH/CH-3E, AC-130, and C-130B fleets. We also have not been able to fund all the aircraft modifications needed to update our aircraft and/or make them more capable to meet the mission requirements. We also have shortfalls of ECM pods and other defensive systems for our aircraft. But even with these shortfalls, we believe the Air Force is doing an outstanding job of equal treatment and using the equipment philosophy of "first to fight, first to equip," especially in those areas reflected in the P-1R such as aircraft spares, Class IV (safety) modifications, vehicles, support equipment, etc. Overall, the Air Force has also modernized the Air Force Reserve aircraft fleet at a historic pace. We soon will have retired all of our F-4s for F-16s and we are flying the same aircraft as the active duty in most mission areas.

The bottomline is that the Air Force is equipping the Air Force Reserve as an equal partner in the Total Force Policy and we do not need an overall separate procurement appropriation or a P-1R floor as recommended by the GAO report.

QUESTION. General Killey, are you aware of any instances?

General KILLEY. There have been several items that have been funded with the dedicated procurement account such as the equipment for the Core Automated Maintenance System, the equipment for the Base Integrated Digital Distribution System (BIDDS) and although dedicated procurement funds were not adequate to fund Electronic Countermeasures (ECM) pod modernization, the funds reflected in the P-1R for the Air National Guard have not provided either ALQ-184 or ALQ-131 pods for Guards units.

Question. General Scheer, do you feel the Air Force Reserve receives its fair share of the active component equipment commensurate with the deployability of the unit?

General **Scheer.** The Air Force priority system and all of its programming processes are dedicated to the premise that the first unit tasked should be supported first. We have been able to provide for the majority of the equipment needs for most all of our units with the support by the Air Force and by the Congress, provided in the form of the Special Appropriations funds. As requirements change, and as funds have allowed, we have achieved readiness in all quarters. Roughly 95% of all Air Force Reserve units are, by definition, "early deploying."

Question. Do you feel the Air National Guard receives its fair share of active component equipment commensurate with the deployability of the unit?

General **Killey.** The Air Force policy is to equip Guard aircraft with the same equipment that active units have that are in the same mission. Due to fiscal constraints, many times the equipment for the Guard is funded in the outyears after the active units are equipped. As an example, the ANG currently has a shortfall of approximately $700 million dollars in mobility support equipment. While Air Force is attempting to provide this equipment, it is forecasted for delivery in the outyears.

[**Clerk's note.**—End of questions submitted for the record.]

Mr. **Murtha.** Thank you very much, gentlemen. The Committee is adjourned until 10:00 a.m. Tuesday.

THURSDAY, APRIL 6, 1989.

NAVAL RESERVE AND MARINE CORPS RESERVE

WITNESSES

REAR ADMIRAL F. N. SMITH, USNR, DIRECTOR OF NAVAL RESERVE AFFAIRS

MAJOR GENERAL EDMUND P. LOONEY, ASSISTANT DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS

INTRODUCTION

Mr. MURTHA. The committee will come to order. Our next witnesses are Rear Admiral F.N. Smith, USNR, Director, Naval Reserve, and Major General Edmund Looney, USMC, Assistant Deputy Chief of Staff for Manpower and Reserve Affairs.

The Naval Reserve fiscal year 1990 request for Reserve personnel and operation and maintenance is $2.6 billion, the same level as last year. When including active military personnel, procurement, and military construction funds, it increases to $2.9 billion. This supports a Selected Reserve strength of 153,200.

The Marine Corps Reserve fiscal year 1990 request for Reserve personnel and operation and maintenance is $396.6 million, which is less than a one percent increase over last year. When including active military personnel, procurement, and military construction funds, it increases to $584 million. This supports a Selected Reserve strength of 44,000.

When we get to the questioning, we will have several questions for both of you to answer and then we will get into specifics of each reserve.

Gentlemen, we welcome you. Your prepared statements and biographical sketches will be inserted in the record. Please summarize your statements.

Admiral Smith, you may proceed.

SUMMARY STATEMENT OF ADMIRAL SMITH

Admiral SMITH. Thank you, Mr. Chairman.

I would like to make some remarks. First I think it is important to note that the Naval Reserve is a proven and economical way to maintain ready force structure and support our active forces, proven by the fact that for 3.1 percent of total obligational authority the Naval Reserve provides Navy a 20 percent force personnel multiplier plus all the ships, aircraft and other equipment capability in the Naval Reserve.

Today's Naval Reserve has increased by more than 50 percent in the 1980s concurrent with the growth and modernization of the fleet. Most of those years saw increased investment in defense.

The growth of Reserve Forces as a part of the Total Force started in the late 1970s. The structure and availability of this force was built around a total mobilization scenario. During this growth, little, if any, thought was given to the need for the Reserve, short of total mobilization, and Defense budgets were adequate enough for the Armed Services to retain on active duty at least parts of most war-time mission areas even though the likelihood of their need in peace-time was very slim.

But now things have changed. The likelihood of total mobilization is lessening, while the probability of low-intensity conflict or emergent operational missions remains high. Defense spending is under close scrutiny, and there is widespread discussion about putting more into the Reserve.

And so we should ask, what is the future role of the Naval Reserve? What is the proper force mix of active duty and Reserve? Can the Naval Reserve take on additional missions? It would be easy to attempt to resolve some of the very serious budget problems that challenge us this year by transferring forces from active to reserve.

Make no mistake, Mr. Chairman. We stand ready to accept any program that Congress mandates. And you have my assurance that we in the Naval Reserve will do our best to provide an environment in which that program maintains fleet standards.

But, as Chief of Naval Reserve, I believe that I have an obligation to Navy and to Congress to present some cautioning concerns before such actions are considered.

There are limits as to which programs can effectively be placed in the Naval Reserve, especially given the manpower constraints under which we operate. In other words, if Congress wants to give the Naval Reserve additional responsibilities, there must also be a recognition that we will need more active duty manpower and operating funds for those programs. That is probably the obvious.

But what may be less obvious, Mr. Chairman, is what I call the "hidden question" that is part of every decision to assign a new responsibility or missions to the Reserve and must be a part of any addressal of Active/Reserve force mix. That question is, "Will those Reserve assets be available if needed during crisis periods, short of total mobilization?"

Those are all the comments I have, sir.

[The statement of Admiral Smith follows:]

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF

REAR ADMIRAL F. N. SMITH, USNR

DIRECTOR OF NAVAL RESERVE

BEFORE THE

SUBCOMMITTEE ON DEFENSE

OF THE

HOUSE APPROPRIATION COMMITTEE

ON THE

GUARD AND RESERVE

6 APRIL 1989

NOT FOR PUBLICATION UNTIL RELEASED BY
THE HOUSE APPROPRIATIONS COMMITTEE

REAR ADMIRAL FRANCIS NEALE SMITH, U.S. NAVAL RESERVE
CHIEF OF NAVAL RESERVE

Rear Admiral Francis Neale Smith is a native of Baltimore, Maryland, where he graduated from Loyola College in 1952. He received his commission from Officer's Candidate School and was Engineering Officer aboard the Destroyer-Minesweeper USS GHERARDI (DMS-30) in the Atlantic and Mediterranean. As a drilling Reservist, Rear Admiral Smith served in Maryland and Indiana, and commanded Reserve Units in Ohio, Pennsylvania and Delaware. After his promotion to Rear Admiral, he was assigned the mobilization billet as Deputy/Vice Commander Service Group TWO, U.S. Atlantic Fleet. He also served as Commander, Naval Reserve Readiness Command, Region TEN, New Orleans, Louisiana.

Rear Admiral Smith was recalled to active duty in November 1984, as Deputy Director of Naval Reserve in Washington, D.C. At the time of recall, he was with EXXON in Houston, Texas. On 29 May 1987, he was named Commander, Naval Reserve Force and Chief of Naval Reserve, with additional duty as Director of Naval Reserve in the Office of Chief of Naval Operations. He is the first Reserve officer and the first Surface Warfare Officer to head the Naval Reserve Force which now numbers 146,000.

Admiral Smith's wife, Ginny, is a native of San Francisco, California, and a former Navy Nurse. They have two sons who are in the Navy; one is a petty officer first class, the other, a lieutenant and graduate of the U.S. Naval Academy. Their older daughter is a graduate of Texas A&M and the younger daughter attends George Mason University in Virginia.

1/88

Mr. Chairman and members of the committee:

I am pleased to once again have the opportunity to appear before your committee.

I would like to begin by paying tribute to all of you for your support of the Navy and your understanding of the role the Naval Reserve plays in our national defense. When I first came up here four years ago as a recalled Selected Reservist, I felt a strong obligation to bring to you an accurate report of our status in pursuit of readiness for mobilization and a clear picture of future obstacles and requirements.

Looking back at the progress that the Naval Reserve has made as a part of Navy's Total Force -- I can say without reservation that it would not have been achieved without your strong direction and follow on support. On behalf of Navy and all our Reservists, I thank you.

It is tempting on the occasion of these hearings to go on at length about details of the progress we have made in the past year. And, no doubt about it, we are a stronger and more ready Naval Reserve because of what was done in 1988.

But I will pass up the opportunity to go into great detail now, and before I look back and summarize some of the areas of last year's progress, I would like for a moment to look ahead, to look at what I see the future holds for the Naval Reserve.

We all know, we have to plan now for Naval programs that will become reality in the next decade and, indeed, the next century. One of the things we don't have to do is convince each other that a strong Naval Reserve is a vital part of our military force.

Fortunately, we agreed on the value and importance of the Reserve program years ago. So that today, the Naval Reserve is a respected and well-established part of our defense force, an economical and proven way to maintain ready force structure and support our active forces. For the cost of 3.1% of Total Obligational Authority (TOA), the Naval Reserve provides Navy a 20% force personnel multiplier plus all the ships, aircraft and other equipment capability in the Naval Reserve.

Today's Naval Reserve has increased by more than 50% in the 1980s concurrent with the growth and modernization of the fleet. Most of those years saw increased investment in defense.

The growth of all Reserve forces started in the late '70s as an essential part of our national defense deterrent and critical to national policy in the event of mobilization. During this growth little, if any, thought was given to the need for the Reserve, short of preparing for total mobilization. Defense budgets were adequate enough for the armed services to retain on active duty at least parts of most wartime mission areas even though the likelihood of their need in peacetime was very slim.

But now things have changed. The likelihood of total mobilization is lessening while the probability of low intensity conflict or emergent operational missions remains high. Defense spending is under close scrutiny and there is widespread discussion about putting more into the Reserve.

And so we should ask, what is the future role of the Naval Reserve? What is the proper force mix of active duty and Reserve? Can the Naval Reserve take on additional missions? It would be easy to attempt to resolve some of the very serious budget problems that challenge us this year by saying: "Let's put this program in the Reserves and give them half of that program, too."

Make no mistake, Mr. Chairman. We stand ready to accept any program that Congress mandates. And you have my assurance that we in the Naval Reserve will do our best to provide an environment in which that program maintains fleet standards.

But, as Chief of Naval Reserve, I believe that I have an obligation to Navy and to Congress to present some cautioning concerns before such actions are considered.

There are limits as to which programs can effectively be placed in the Naval Reserve, especially given the manpower constraints under which we operate. In other words, if Congress wants to give the Naval Reserve additional responsibilities, there must also be a recognition that we will need more active-duty manpower and operating funds for those programs. That's probably the obvious.

But what may be less obvious, Mr. Chairman, is what I call the "hidden question" that is part of every decision to assign a new responsibility or missions to the Reserve. That question is, "Will those Reserve assets be available if needed short of total mobilization?"

Let me now turn to a summary of progress we have made in the Naval Reserve over the past year.

As the size of our force stabilized in 1988, we accelerated our effort to improve its quality. The results have been striking.

Our bottom line has always been readiness -- "Are we ready to join the fleet and hit the deck running." Today I am happy to report that our readiness has never been higher. In December, a review of our surface reinforcing and sustaining units showed that 63 percent were rated at R-1 or R-2, the highest levels. That is a sharp increase over the 47 percent at that level at the end of Fiscal 1987 and 58 percent at the end of Fiscal 1988. That readiness improvement is a direct result of better training. The training initiatives in our Surface Program to Upgrade Readiness are showing results. The readiness of our commissioned or hardware units continues at a comparable level with active duty counterparts.

For Fiscal 1990, a Selected Reserve end-strength of 153,200 is requested. This includes 22,320 active duty Reservists who provide the vital full-time support needed to train our Reservists. This is a slight increase from the fiscal '89 request which called for 152,600 end strength and 21,991 full-time support personnel.

With our new Reserve Recruiting Command we will be more effective in the tougher recruiting environment and will target our recruiting effort to fleet experienced sailors with the specific skills and qualifications. In addition, one of our major goals continues to be to fill the current shortfall of qualified medical personnel with the specialities required to meet wartime needs.

Like all bureaucracies, ours has had its share of problems with paperwork. Automation to limit the time spent on basic administration has been one of our major initiatives -- and, I'm very happy to say, one of our greatest successes. We're using a new management information system and data processors to reduce paperwork and administrative tasks, thus freeing our sailors to spend more time training.

As we have grown in the Naval Reserve by more than 50% in the past seven years we have also allowed advancement stagnation to creep in. Many of our junior enlisted, the lifeblood of the Naval Reserve, are becoming disenchanted by poor promotion opportunities. The top of the pyramid had become too large. We are correcting that with a "High Year Tenure" program which directs that people either earn promotions in a reasonable time or drop out of the Selected Reserve. We'll phase this program in over several years so there won't be any unfair hardships and individuals will have a reasonable opportunity to meet the criteria for retention.

The bottom line on all these changes will be a younger, better trained enlisted corps, that is more responsive to fleet needs, and more ready to serve.

We are continuing to delegate authority down the chain of command to give our commanding officers more freedom to make decisions closer to the people who benefit from them -- the individual Reservists.

In the area of hardware units there have also been changes and advancements.

The transfers in the Pacific Fleet of one FFG-7 and one FF-1052 class frigate, scheduled for FY 1988, were delayed, because of Mideast Force requirements. They are now scheduled for September 1989 and with the scheduled transfer of two Atlantic Fleet FFG-7s in FY 90, our NRF Frigate Force levels will reach the scheduled 18 FFG-7s and 8 FF-1052s.

The Naval Reserve is also programmed to add three amphibious ships, an LST, LPD and LSD between FY 90 and 92. As currently scheduled, the number of ships in the NRF will reach 54 by FY 92, up from 48 in FY 89.

In the Naval Air Reserve, we completed the transition into the F-14 Tomcats, and have begun the transition to A-6E Intruder all weather medium attack aircraft and KA-6 tankers.

In October we commissioned the first of two Helicopter Combat Support (Special) HCS Squadrons. They will fly the new HH-60H aircraft that combines many missions previously flown by different squadrons. Our second Helicopter Mine Countermeasure (HM) squadron is scheduled to stand up during the current year.

The major aviation problem we see is that our P-3 force, the P-3As and the P-3Bs that are so vital to our maritime patrol program, are getting old. Unless action is taken soon, they will reach the end of their service lives before replacement aircraft are available. The introduction of LRAACA -- Long Range Air ASW Capable Aircraft will help.

In addition to actual accomplishments, your efforts to date on improving Reserve management through the establishment of a Reserve Officer Personnel Management Act (ROPMA) has our total support.

That, in brief, is where we stand, Mr. Chairman.

We have a much improved, more capable Naval Reserve. Our growth has stabilized and we are working on major initiatives to improve the quality of our personnel and the training they receive.

I have seen our Reservists in action this past year in the heat of the Persian Gulf and the cold of the Norwegian Sea. They are outstanding men and women, the pride of our nation and, most certainly, my pride. It has been my pleasure to have led them, with your help, toward a better and more responsive role in the National defense.

Now I will be happy to answer your questions.

SUMMARY STATEMENT OF GENERAL LOONEY

General LOONEY. Good morning, Mr. Chairman, distinguished members of the subcommittee. It is a great pleasure to appear before you on behalf of the Marine Corps and the Marine Corps Reserve.

The Marine Corps and the Marine Corps Reserve would like to express its appreciation to the Congress for the continuous support it has given us over the years. As my posture statement indicates, last year we achieved the following: achievement of 100 percent of our non-prior service recruiting goals, including 98 percent high school graduates; 9.9 percent reduction in selected Marine Corps Reserve personnel turnover; substantial equipment modernization in air, ground and logistics organizations; over 23,000 Marine Reservists participated in major worldwide exercises.

For fiscal year 1990, although we show a modest increase in funds for our total Reserve appropriations, we are experiencing a negative three percent in real growth. We will still maintain our readiness by the introduction of simulators allowing us to train closer to home, delay purchase of NBC equipment, camouflage screening systems and reduce manning levels of Reserve units from 98 percent to 90 percent.

With your continued support, we will continue to accomplish our goals and remain in a high state of readiness.

Thank you for your interest, and I will be happy to answer any questions you may have.

[The statement of General Looney follows:]

NOT FOR PUBLICATION UNTIL RELEASED
BY THE HOUSE APPROPRIATIONS COMMITTEE

STATEMENT OF

MAJOR GENERAL E. P. LOONEY, JR.

UNITED STATES MARINE CORPS

ASSISTANT DEPUTY CHIEF OF STAFF FOR MANPOWER

AND RESERVE AFFAIRS FOR RESERVE AFFAIRS

BEFORE THE

SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

UNITED STATES HOUSE OF REPRESENTATIVES

CONCERNING

NATIONAL GUARD AND RESERVE PROGRAMS

ON

6 APRIL 1989

NOT FOR PUBLICATION UNTIL RELEASED
BY THE HOUSE APPROPRIATIONS COMMITTEE

TABLE OF CONTENTS

SECTION	PAGE
BIOGRAPHY OF MAJOR GENERAL E. P. LOONEY, JR. USMC	i
INTRODUCTION	1
RESERVE ROLES	3
FORCE STRUCTURE	5
- GROUND STRUCTURE	7
- AVIATION STRUCTURE	8
- FULL-TIME SUPPORT	8
- INDIVIDUAL MOBILIZATION AUGMENTEES	10
- INDIVIDUAL READY RESERVE	11
MODERNIZATION	11
- EQUIPMENT	12
- FACILITIES	13
TRAINING AND READINESS	15
- UNIT TRAINING	17
- TRAINING AND INNOVATION	19
- INDIVIDUAL TRAINING	21
BUDGET	22
CONCLUSION	27

UNITED STATES MARINE CORPS
DIVISION OF PUBLIC AFFAIRS • HEADQUARTERS MARINE CORPS
WASHINGTON, D.C. 20380 • TELEPHONE (202) 694-4309

MAJOR GENERAL EDMUND P. LOONEY JR., USMC

Major General Edmund P. Looney Jr., is the Assistant Deputy Chief of Staff for Manpower and Reserve Affairs, for Reserve Affairs, Headquarters Marine Corps, Washington, D.C.

Born in Brooklyn, New York on September 30, 1934, General Looney graduated from Brooklyn's St. John's Preparatory School in 1952 and subsequently earned a bachelor's degree from the St. John's University School of Commerce in 1956. While attending college, he joined the Marine Platoon Leaders Class in December 1952, and was commissioned a second lieutenant in June 1956. He earned a master's degree in Human Resource Management from Pepperdine University in 1977.

After completing the officers' basic course in March 1957, he transferred to the 3d Marine Division in Japan, where he served for a year as a rifle platoon commander and battalion staff officer in the 2d Battalion, 3d Marines. In 1958, he was released from active duty, but participated in the activities of a reserve unit at Garden City, N.Y. Returning to active duty in 1960, he became the commanding officer of a rifle company in the 2d Battalion, 2d Marine Regiment, 2d Marine Division, Camp Lejeune, N.C. He was promoted to captain in October 1961.

Subsequent assignments include duty as the 2d Marine Division logistical operations officer, June 1962-July 1963; 2d Marine Aircraft Wing logistical operations officer, July 1963-March 1965; advisor to a Vietnamese infantry battalion, March 1965-April 1966; logistics program officer at Headquarters Marine Corps, April 1966-July 1970; a variety of assignments with the 1st Marine Division in Vietnam, July 1970-July 1971; operations officer on the staff of the Commander, Strike Force South at Naples, Italy, February 1972-1975; new ships construction officer, Headquarters Marine Corps, January 1975-August 1977; duty with the 1st Marine Division from July 1978-June 1980, serving first as deputy chief of staff, G-3, and later as assistant chief of staff, G-4; and Commanding Officer of the 31st Marine Amphibious Unit in the Western Pacific and Indian Ocean, from June 1980-June 1981. He was promoted to major in August 1966, to lieutenant colonel in April 1973 and to colonel in November 1978.

During July 1981, he was assigned as plans officer, G-3, 1st Marine Amphibious Force at Camp Pendleton, Calif. While serving in this capacity, he was selected for promotion to brigadier general. He was advanced to that grade on July 2, 1982 and assumed command of the Marine Corps Logistics Base, Barstow, Calif., in July 1982. On June 6, 1984, he was assigned duty as the Commanding General, 6th Marine Amphibious Brigade, FMF, Atlantic, Camp Lejeune, North Carolina. He was selected for promotion to major general in December 1986 and was promoted to that grade on Sept. 1, 1987. He was assigned duty as the Director of Logistics, Plans, Policies and Strategic Mobility Division, Installations and Logistics Department, Headquarters Marine Corps, on Sept. 16, 1987. General Looney served in this capacity until Jan. 3, 1989, when he assumed his current assignment.

In addition to The Basic School, General Looney's military schooling includes the NATO Defense College, Rome, Italy, graduating in February 1972, and the Industrial College of the Armed Forces in Washington, D.C., graduating in June 1978.

His decorations include: the Bronze Star Medal with Combat "V" and gold star in lieu of a second award with Combat "V"; Meritorious Service Medal; Combat Action Ribbon; Navy Unit Commendation; Meritorious Unit Commendation; Marine Corps Expeditionary Medal with two bronze stars; Armed Forces Expeditionary Medal; National Defense Service Medal; Vietnam Service Medal with three bronze stars; Humanitarian Service Medal; Sea Service Deployment Ribbon with two bronze stars; Republic of Vietnam Cross of Gallantry with silver star (two awards); and a number of other awards issued by the Republic of Vietnam.

Major General Looney and his wife, the former Sheila T. McDermott of Hasbrouck Heights, N.J., have three daughters and a son: Mary, a first lieutenant in the United States Air Force, Tara, Kathryn, and Patrick, a Marine first lieutenant.

(Revised Jan. 4, 1989 HQMC)

PREPARED STATEMENT OF MAJOR GENERAL E. P. LOONEY, JR. ASSISTANT DEPUTY CHIEF OF STAFF FOR MANPOWER AND RESERVE AFFAIRS FOR RESERVE AFFAIRS

Mr. Chairman, distinguished members of the Committee, it is indeed a privilege to report to you the current posture and future programs of the Marine Corps Reserve. This is my first opportunity to address this committee since becoming the Assistant Deputy Chief of Staff for Manpower and Reserve Affairs for Reserve Affairs. On December 1, 1988 the position of Deputy Chief of Staff of Reserve Affairs was elevated to the three star level. LtGen John Hudson was nominated to assume the dual role of Deputy Chief of Staff for Manpower and Reserve Affairs and he was assigned two Assistant Deputy Chiefs of Staff, one for Manpower and one for Reserve Affairs. The integration of the Reserves with Manpower was a major milestone in the Commandants continuing efforts to identify the Marine Corps Reserve as, in fact, a full partner in the Total Force. The integration of Reserve and Active components also further capitalizes on the personnel policy and management expertise resident within our Manpower Department since the majority of our personnel issues are one in the same whether Active or Reserve.

The combat readiness and war fighting capability of the Marine Corps Reserve is at an all time high. Your continuing support for our manpower, equipment, facilities and sustainment requirements, has greatly enhanced our readiness and warfighting capabilities.

Evidence of our enhanced capability:

- Achievement of 100 percent of our non-prior service recruiting goals, including 98 percent high school graduates
- 9.93% reduction in Selected Marine Corps Reserve personnel turnover
- Attainment of end strength to within one-tenth of 1 percent of the established goal
- Substantial equipment modernization in air, ground and logistics organizations
- Participation by over 23,000 reservists in major exercises within the Continental United States and several exercises abroad including Germany, Norway, Egypt, Korea, Philippines and Thailand.
- Use of simulators and trainers to improve individual and crew operation skills on our weapons systems

With the continued support of the Congress, the full potential of the U.S. Marine Corps Reserve's capability to contribute to the national defense as part of the Total Force will be realized.

The framework for our future continues to be based on three fundamental strategies:

(1) Recruit, train, and retain only quality personnel.

(2) Maintain the modernization effort to provide quality equipment.

(3) Continue to improve the Active and Reserve integration of personnel and equipment.

RESERVE ROLES

The thrust of Total Force integration to achieve an optimum balance between peacetime monetary expenditures and a wartime fighting force is critical when describing the roles of the Marine Corps Reserve.

The augmentating and reinforcing roles mandated by Defense Guidance are the primary mobilization missions of our Reserve in support of the Active component. The strategy the Corps has pursued to fulfill the nation's expectation of its premier force-in-readiness is dependent upon our ability to quickly respond to aggression with the Active force, and then, if required, to rapidly and efficiently mobilize the Reserve force for expansion of the Active force and to provide sustainability during a major conflict or national emergency in order to project integrated combat power.

We do not anticipate any change to these roles in the near future. The force structure is designed to support the needs of the Active Force. When required the Reserve will augment certain critical requirements to provide a balanced Marine Total Force capability.

Considered as a Total Force, 25 percent of the Marine Corps' force structure and 32 percent of the trained manpower available to the Marine Corps are in the Reserve. The following chart depicts the major contributions made by the Reserve to the Total Force.

MARINE CORPS RESERVE CONTRIBUTIONS TO THE TOTAL MARINE CORPS

Unit Types[1]	Percent of Total Marine Corps
Civil Affairs Groups	100
Salvage Platoons	100
Bulk Fuel Companies	62
Force Reconnaissance Units	50
Air/Naval Gunfire Liaison Companies (ANGLICO)	50
Force Service Support Group Military Police	40
Tank Battalions	40
Beach and Port Companies	40
Heavy Artillery Batteries	33
Infantry Battalions	27
Division Reconnaissance Battalions	25
Light Anti-Aircraft Missile Battalions (LAAM)	25
Marine Air Control Group (MACG)	25
Marine Wing Support Group (MWSG)	25
Force Service Support Group (FSSG)	25
Low Altitude Air Defense Batteries (LAAD)	25

---

[1] Percentages determined by counting same type units (data as of January 30, 1989).

Aircraft Types[2]

Observation Aircraft (VMO)	33
Aerial Refueling Aircraft (VMGR)	29
Light Attack Aircraft (VMA)	28
Fighter Aircraft (VMFA)	20
Electronic Warfare Aircraft (VMAQ)	18
Helicopters (HML, HMA, HMM, HMH)	18

The Individual Ready Reserve will continue to provide a pool of pre-trained individual manpower capable of rapid assimilation into the Active Force to meet our wartime requirements. Information on the composition and strength of the IRR will be addressed later.

FORCE STRUCTURE

The Marine Corps Reserve structure has developed as a Division, Wing, and FSSG (DWT Division-Wing-Team) like the Active forces. The DWT is capable of providing trained units to the Active Force to increase war fighting capability and provide sustainability if mobilization is directed or the Presidential Call Up is executed. Similarity of Reserve and Active Force structure greatly enhances and streamlines the process of integrating Reserve component units with the active Force upon mobilization. Combat readiness is enhanced and training costs are minimized by retaining similarity of structure.

---

[2] Percentages determined by counting primary authorized aircraft (data as of January 30, 1989).

To improve readiness, we continue to emphasize quality of manpower in the 4th DWT. All nonprior service accessions are recruited for a specific military occupational specialty. Recruiting efforts for prior service Marines are designed to match military skills and experience to specific unit billet requirements or these Marines are required to retrain for specific military occupational specialties.

Retention of our Marine reservists improved considerably during Fiscal Year 1988. The turnover rate fell from 30 percent in Fiscal Year 1987 to 27 percent in Fiscal Year 1988. This improvement is attributed to increased command attention, quality leadership and meaningful productive training.

The Fiscal Year 1988 approved end strength was 43,556, an increase of 1303 over Fiscal Year 1987. The Fiscal Year 1989 plan is straight-lined from Fiscal Year 1988 with a goal of 43,600. The Fiscal Year 1990 manpower plan calls for a modest increase of 400, consisting primarily of Full-Time Support personnel to augment Marine Battle Skills Training and for structure growth in the 4th Marine Aircraft Wing to support our Total Force warfighting initiatives.

GROUND STRUCTURE

Structural changes to support the warfighting initiatives include:

- Augmenting 16 active duty infantry battalions with a rifle company.
- Adding scout infantry to the LAV BN
- Adding three General Support artillery battalions and two General Support artillery batteries.
- Augmenting the two active duty tank battalions with two tank companies.
- Transferring from the active structure to the Reserve component three Bulk Fuel Companies, and three (each) Bridge, Longshoreman, Bakery, Ration, Salvage, and Grave Registration platoons.

The Bulk Fuel Cos and Bridge Platoons will be in a drilling status and the remaining units will be activated only when operational requirements demand.

AVIATION STRUCTURE

The 4th Marine Aircraft Wing is an integral part of the Marine Corps warfighting and Total Force initiatives. The 4th Marine Aircraft Wing will:

- Add six LAAD (Light Anti-Aircraft Defense) platoons armed with Stinger missiles.
- Absorb one LAAM battery armed with Hawk missiles.
- Upgrade its fleet of aging airframes.

The current plan calls for replacing the CH-46 with the MV-22, the AH-1J with the AH-1W and the F-4 with the F/A-18. The replacement schedule commences in Fiscal Year 1989 and extends to the out years.

FULL-TIME SUPPORT

Approximately 5,000 officers and enlisted personnel from the Active Marine Corps, 340 civil service personnel, and 1945 reservists serving on active duty in the Full-Time Support Program support the Marine Corps Reserve. Since the Marine Corps does not use the Military Technician Program, and Active component end strength is a finite number, the Marine Corps Reserve could not meet present and future demands without the Full-Time Support Program.

Active component personnel provide current operational expertise, while reservists provide a more complete understanding of Reserve programs and issues confronting drilling reservists. Full-Time Support personnel (termed Active Guard/Reserve in other services), contribute substantially in policy development, administration, and execution of the Reserve component of the Total Force programs. Duties are performed primarily in the areas of administration, recruiting, training, and logistical/technical support. Most personnel are assigned to 4th Marine Division and 4th Marine Aircraft Wing units. A limited number of personnel provide management support at the Marine Corps Reserve Support Center (MCRSC) in Kansas City and various Reserve Support Units (RSU's) of major Marine Corps bases throughout the country. This deliberate mix of personnel ensures the Marine Corps Reserve's mobilization capabilities are maintained in the highest state of readiness.

Our Fiscal Year 1988 Full-Time Support end strength was on target with a final count of 1945. There is no growth in our Fiscal Year 1989 approved strength. In Fiscal Year 1990 we have requested a modest increase of 356 to build to an end strength to 2,301. This growth is essential to support Total Force war fighting initiatives. The additional personnel will be assigned to billets supporting Marine Combat Training initiatives and structure modifications in the 4th Marine Aircraft Wing.

INDIVIDUAL MOBILIZATION AUGMENTEES

A percentage of drilling reservists, called Individual Mobilization Augmentees (IMAs) train side-by-side with their active counterparts on staffs within the supporting establishment. Training in the same work environment as is anticipated for wartime, the duties performed ensure the Reservists smooth transition and increased productivity on mobilization. These assignments permit them to participate in peacetime staffing evaluations and to broaden their experience.

The utilization of these IMAs has proven effective-demonstrated during the Grenada operations and hostile action in Beirut, key headquarters staff sections were manned by IMAs. Also, during major JCS/NATO mobilization exercises, bases, stations and major headquarters activate operational control groups manned by IMAs. A significant portion of the IMA program is devoted to the Marine Corps Mobilization program, providing the network of mobilization stations located throughout the country. These sites are critical to the process of rapidly assimilating members of the IRR and retirees into the wartime structure during mobilization.

INDIVIDUAL READY RESERVE

The strength of the Individual Ready Reserve at the end of Fiscal Year 1988 was 42,389. The inception of the 8-year military service obligation will cause the Individual Ready Reserve population to grow to 54,000 by Fiscal Year 1990 and exceed 80,000 by Fiscal Year 1992.

In Fiscal Year 1988 we continued the mandatory Individual Ready Reserve recall, screening 83% of the eligible population. Among the benefits realized from the exercise were the identification of Ready Reservists whose address of record was incorrect, and to a limited extent, those requiring refresher training. The recall process led to the review and revision of our mobilization procedures which will pay dividends should mobilization ever be ordered.

MODERNIZATION

Modern combat equipment is essential to readiness. Our acquisition profiles will continue to provide for concurrent fielding of equipment to the Total Force. This single acquisition concept determines total requirements for the entire U.S. Marine Corps. Our future modernization efforts will focus on equipment and facilities.

EQUIPMENT

Commonality of equipment permits the interoperability of the Total Force from a training and maintenance perspective. To this end, horizontal fielding has always been considered paramount to enhance our partnership. Equipment procured by the National Guard and Reserve funding posture of recent years and delivered:

- Light Armored Vehicle (LAV)
- Squad Level Radio (AN/PRC-68A)
- Manpacked Satellite Communication Terminal (AN/PSC-3)
- Digital Communications Terminal (AN/PSC-2)
- Various test and calibration equipment
- MK19 40mm Machine Gun
- Improved Direct Air Support Center (IDASC)
- Lightweight Decontamination Unit.
- LAV-25 Gunnery Training Systems
- Short-Term Anti-Jam (STAJ) Compatible High Frequency Radios

The delivery of new equipment to the Reserve units creates the demand for training simulators to minimize training costs. These devices improve individual and crew proficiency, and provide cost-effective training during monthly drill periods.

We can look forward to receiving the following trainers and simulators in the near future:

- Stinger Trainers
- Motor Transport Maintenance and Operator Trainers
- Radar Equipment Maintenance and Operator Trainers

This year through your efforts we are planning to procure the following equipment:

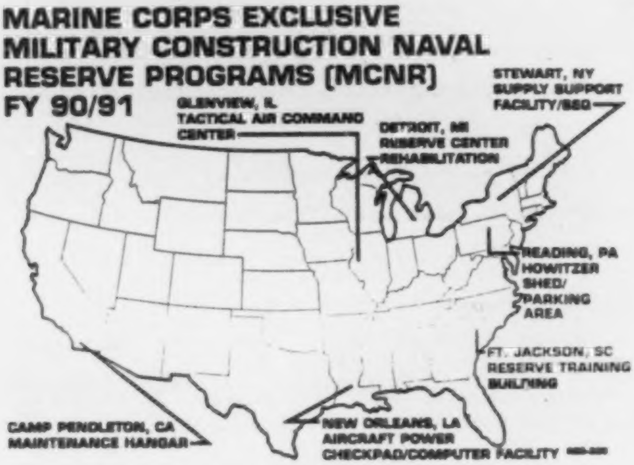
SPECIAL CONGRESSIONAL FUNDING

ITEM	COST(M)	QTY
Lightweight Decon	.740	50
Short Term Anti-Jam Compatible	2.064	299
AN/TPS-32 Solid State Driver	.520	2
Digital Communications Terminal	2.394	171
Marine Corps Tank Full-Crew Simulation Trainer (MCTFIST)	1.5	6
Tractors	2.4	29
MCTFIST Video Tropical/Cold Weather scenario	.369	2
(Cost Overhead Factor)	.013	
	10.00 M	

FACILITIES

Marine Corps Reserve facilities are located at 193 sites throughout the United States and in Puerto Rico. These sites provide the training centers, equipment storage, and administrative support. We currently have 167 ground and 26 aviation sites. The Marine Corps owns facilities at 23 of these sites, manages 31, and has tenant units aboard four Marine Corps Air Stations. One training center is collocated with the 1st Marine Corps District in New York and the remaining 139 sites are occupied jointly with the Navy, Army National Guard, and/or Air Guard.

Beginning with the Fiscal Year 1990/1991 budget request, the Marine Corps will contribute a portion of the Total Obligation Authority to Military Construction Naval Reserve (MCNR) program for the construction of Marine Corps exclusive-use projects. In Fiscal Year 1990, the Marine Corps will fund seven projects totaling $9 million (19 percent of the major construction portion of the MCNR program). These projects support both the new and existing missions and are depicted on the map.



MARINE CORPS EXCLUSIVE MILITARY CONSTRUCTION NAVAL RESERVE PROGRAMS (MCNR) FY 90/91

GLENVIEW, IL TACTICAL AIR COMMAND CENTER
DETROIT, MI RESERVE CENTER REHABILITATION
STEWART, NY SUPPLY SUPPORT FACILITY/BEQ
READING, PA HOWITZER SHED/ PARKING AREA
FT. JACKSON, SC RESERVE TRAINING BUILDING
NEW ORLEANS, LA AIRCRAFT POWER CHECKPAD/COMPUTER FACILITY
CAMP PENDLETON, CA MAINTENANCE HANGAR

TRAINING AND READINESS

Success on the modern battlefield requires the integration of manpower and equipment through an effective and imaginative training program. Special exercises and other training programs, emphasize Active/Reserve component integration and combat arms training. By providing a highly trained Reserve manpower resource from the Selected Marine Corps Reserve units or if necessary IMA Marines can augment/reinforce the Active force in the event of mobilization.

The recently established Marine Battle Skills Training program is designed to provide all Marines, regardless of military occupational specialty, with fundamental combat arms training. The program not only provides initial combat arms training but also, a method for maintaining combat skills once a Marine joins a unit. Programs aimed at professional development and military occupational specialty qualification are integral parts of the equation and imperative to successful warfighting.

While no service-wide defined measure of "true combat readiness" exists for Reserve units, the Status of Resources and Training System (SORTS) is an individual indicator of combat readiness monitored by higher commands and HQMC to achieve and maintain high resource levels. The SORTS measures readiness and assigns C-levels in four resource areas; personnel, training, equipment supply and equipment condition. An overall C-level is assigned to each reporting unit. The two most critical limiting factors on Reserve SORTS C-Levels are MOS mismatch (with regard to personnel readiness) and equipment supply.

The MOS mismatch contributes to lowered C-levels in the area of personnel. It reflects a personnel distributions problem inherent to the Reserve. Historically, prior service Marines returning to their home towns were allowed to join local Reserve units regardless of their MOS. Though their MOS helped fill overall Reserve needs, it often contributed to that particular unit's mismatch problem.

For the past year, prior-service recruiters have solicited individuals to fill specific Table of Organization line numbers. This targeted recruiting has begun to improve the MOS match of individual units. When mobilized any remaining mismatch will be corrected by lateral moves/retraining, redistribution of personnel at stations of initial assignment, and the activation of IRRs. These actions will help satisfy requirements of some hard to fill MOSs, particularly in Combat Service Support Units.

Equipment readiness is high, and those early deploying units have received priority in the distribution of both equipment training allowances and stores assets. Further, the prototype of the Reserve Unit Priority System (RUPS), a PC-based system currently being developed by OSD was used during the last half of Fiscal Year 1988. The use of the RUPS Equipment Module emphasized controlled care and distribution of equipment throughout the Reserve component. Its continued use and refinement will lead to more efficient distribution.

By giving visibility to methods of distribution and maintenance to readiness-reportable equipment, we are able to appropriately allocate funds to those assets most directly affecting warfighting capability. This system gives visibility not only to a unit's training allowance (which impacts on other readiness areas) but also to those assets held (or missing) in stores assets at our logistics bases, Albany and Barstow. Providing Tables of Equipment (T/E) to high-priority/spearhead units, ensures the optimum state of training/mobilization readiness.

UNIT TRAINING

Exercise participation affords reservists the same opportunities as active duty Marines to develop and maintain skills in command and control, fire support coordination, amphibious operations, and fire and maneuver. An active cycle of training is maintained including combined arms exercises, cold weather and mountain warfare training, and amphibious assaults. Unit participation in major exercises abroad, and within the continental United States provided training to approximately 23,000 reservists during Fiscal Year 1988. Exercise Teamwork 88 was a highlight for Selected Marine Corps Reserve training.

Conducted in Norway this exercise saw a Selected Marine Corps Reserve infantry battalion with attached Combat Service Support elements, participate in an amphibious assault with Active Marine Corps forces to practice our Northern NATO contingency. Continued Combined Arms Exercises at the Marine Corps Air Ground Combat Center, Twentynine Palms, CA, will be enhanced by establishing force-on-force, free-play scenarios where units will learn to respond to rapidly changing combat situations. The Reserves' ability to fight with combined forces is enhanced through combined exercises and the Reserve foreign exchange programs. During the Royal Marine Reserve/USMCR exchange in 1988, ten U.S. Marines participated in Exercise Cockburns Reserve in Holland and six Royal Marine Reserves participated in Exercise Kernel Blitz-88 off the coast of California. The most significant exercises planned for Fiscal Year 1989 are depicted on the following chart.

PRINCIPAL FY 89 EXERCISES

EXERCISE	DATES	LOCATION	MAJOR UNIT	NUMBER PERSONNEL
Joint/Combined				
Balikitan-89	Classified	WestPac	3d CAG	5
Bright Star	Classified	Med	3d CAG	13
Dragon Hammer	Classified	Med	4th ANGLICO	17
Team Spirit	Classified	WestPac	3d ANGLICO	151
Valiant Blitz-89	Classified	WestPac	3d CAG	8
Joint				
Kernel Blitz	Classified	CA	4th ReconBn	31
Logex	890611-890623	VA	4th FSSG	100
Marine Corps/SMCR				
Alpine Warrior	890219-890305	WI	3/25	1,150
CAX 7-89	890617-890701	CA	2/24	2,300
CAX 8-89	890708-890722	CA	3/24	2,500
Cold Winter	Classified	OCONUS	1/24	645
FIREX	890708-890722	FL	5/14	970
1stMEB Deployment	890618-890702	HI	1/23	1,000

Civil Affairs Group (CAG)
Air Naval Gunfire Liaison Company (ANGLICO)
Reconnaissance Battalion (ReconBn)
Force Service Support Group (FSSG)

TRAINING AND INNOVATION

The Marine Corps Reserve continually seeks to apply emerging technologies in simulators and computer-aided instructional systems to improve our training and combat readiness. The demands placed on Reserve units to maintain military skills despite limited training time and lack of access to live-firing ranges, have led to the development and use of state-of-the-art ranges, have led to the development and use of state-of-the-art devices and ranges.

The use of devices and simulators for reserve training falls into five general categories: marksmanship/gunnery, combat environment, command and control, maintenance training, and aviator training. The systems are used by individuals and units during drills or annual training duty.

Ranges and range devices under development and in use include the Multipurpose Range Complex, Small Arms Remote Targets, and Remote Engagement Target Systems. Marksmanship/gunnery devices and simulators include moving target simulators, the Precision Gunnery Training System, the light armored vehicle gunnery trainer, and a full-crew tank trainer for the M60A1 Main Battle Tank. The full-crew tank trainer will be fielded in FY 89. When the Reserve fields the M1A1 tank and funding becomes available, the M60A1 system can be upgraded to meet the new training requirement. The Marine Corps continues to exploit innovative training opportunities to provide quality training and skill qualification programs tailored to the Reserve's needs. We are pursuing portable systems and military occupational skill instructional vehicles to enhance on-site skill qualification training for reservists during weekend drills. Your continued support is necessary to make effective and timely use of evolving training technologies.

INDIVIDUAL TRAINING

Training in the Individual Ready Reserve (IRR) is accomplished through two programs. First, the Exercise Support Program provides individuals the opportunity to participate in major active component exercises under the cognizance of Fleet Marine Force commanders. For instance, during 1988, 125 individual reservists participated in Exercise Team Spirit by deploying to Korea as part of III Marine Expeditionary Force.

The second means of training the IRR is through the Reserve Counterpart Training Program, which is designed to provide Reserve Marines the opportunity to train with active duty counterparts. Technical skill enhancement and proficiency in occupational skills, external to an exercise support environment, are the benefits of this program. In Fiscal Year 1987, 944 participated compared to 1253 in Fiscal Year 1988. This program focuses on providing individual and group training with Active component combat arms units. Additionally, IRRs are taking advantage of formal Active component combat leadership schools.

Ensuring MOS proficiency presents a significant challenge when considering the anticipated growth of the IRR to 80,000 by the end of Fiscal Year 1992. The Reserve Counterpart Training Program is being used increasingly as a training vehicle to meet greater refresher training requirements.

Another facet in our training program for Reserve officers is attendance at professional schools. These schools are similar to those offered to the Active component, but tailored to the time available to reservists. Reserve courses are offered at the Marine Corps Amphibious Warfare School, Marine Corps Command and Staff College, Landing Force Training Commands (Atlantic and Pacific), Naval War College, NATO Defense College, and the U.S. Army and Air Force War Colleges. Candidates from the grades of warrant officer to colonel are competitively selected to ensure the most qualified individuals attend. Eight hundred eighty-nine officers were selected in Fiscal Year 1988 and attended a formal school. Eight hundred fifty-one officers have been selected for Fiscal Year 1989.

BUDGET

The Fiscal Year 1990 Marine Corps Reserve budget request of 396.6 million will support enhancement initiatives discussed earlier and a Selected Marine Corps Reserve end strength of 44,000 (42,849 average strength). This funding represents 4.3 percent of the total Marine Corps budget. Listed below is a comparison of Fiscal Year 1988 actuals, Fiscal Year 1989 appropriated levels, and Fiscal Year 1990 requested amounts.

FUNDING COMPARISON - Fiscal Years 88/89/90

APPROPRIATION	FY88	FY89	FY90
Reserve Personnel Marine Corps	294.2M	315.1M	319.2M
Operation & Maintenance, Marine Corps Reserve	68.8M	77.6M	77.4M
TOTAL	363.0M	392.7M	396.6M

The Fiscal Year 1990 Marine Corps Reserve Personnel budget is depicted in chart #1, (Page 25). It provides $196.4 million for pay and allowances, retired pay accrual, subsistence, clothing, and operational travel for units and individuals during drills, annual training, and initial active duty for training. The other $122.8 million is for special tour requirements, mobilization training, the Full-Time Support program, incentives program, Platoon Leaders Course, and the Junior Reserve Officers Training Corps. The Reserve Personnel, Marine Corps increase of $4.1 million in Fiscal Year 1990 is necessitated primarily by a pay raise and an average strength increase of 443 in Selected Marine Corps Reserve and Full-Time Support programs after a reduction in retired pay accrual.

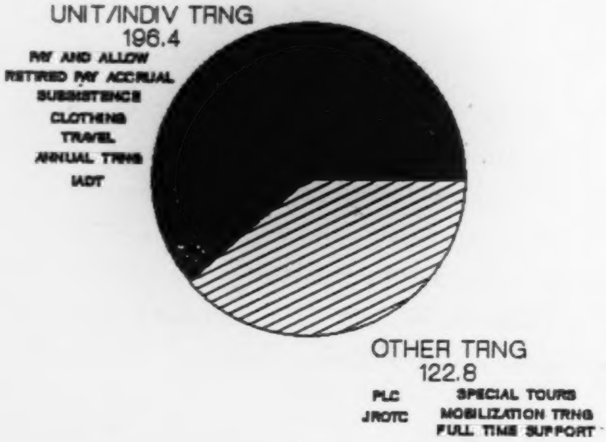
The Fiscal Year 1990 Marine Corps Reserve Operation and Maintenance request of 77.4 million provides funds for the day to day costs of supporting our units. Training of Selected Marine Corps Reserve units is directly supported by 36.8 million.

Included are the cost of "expense items" of equipment, consumables, vehicle and airlift support, transportation of Marines and materiel. Unit maintenance of equipment is supported with 1.9 million. The Fiscal Year 1990 request also provides 38.7 million for the operation and maintenance of training facilities, and administrative support of individual reservists, recruiting activities, and headquarters support.

Funding levels described for Fiscal Year 1990 are essential to ensure our continued growth and increased capability to fully contribute to the Total Force. The modest increase in funds for manpower training, equipment, and facilities will maintain our war fighting capabilities and is considered cost-effective under our current fiscal constraints. The next few pages graphically illustrate the Marine Corps Reserve budget.

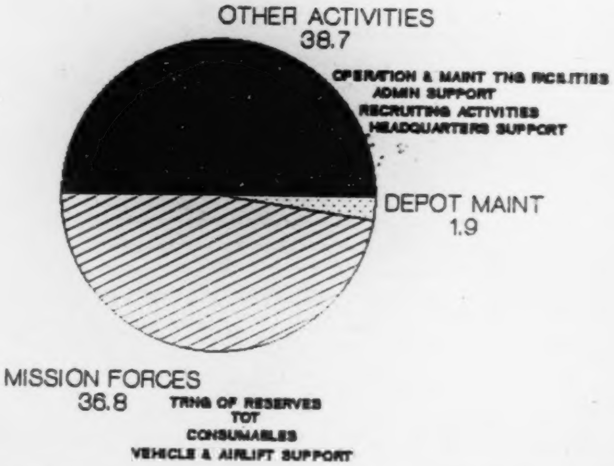
1

RESERVE PERSONNEL
($ MIL)

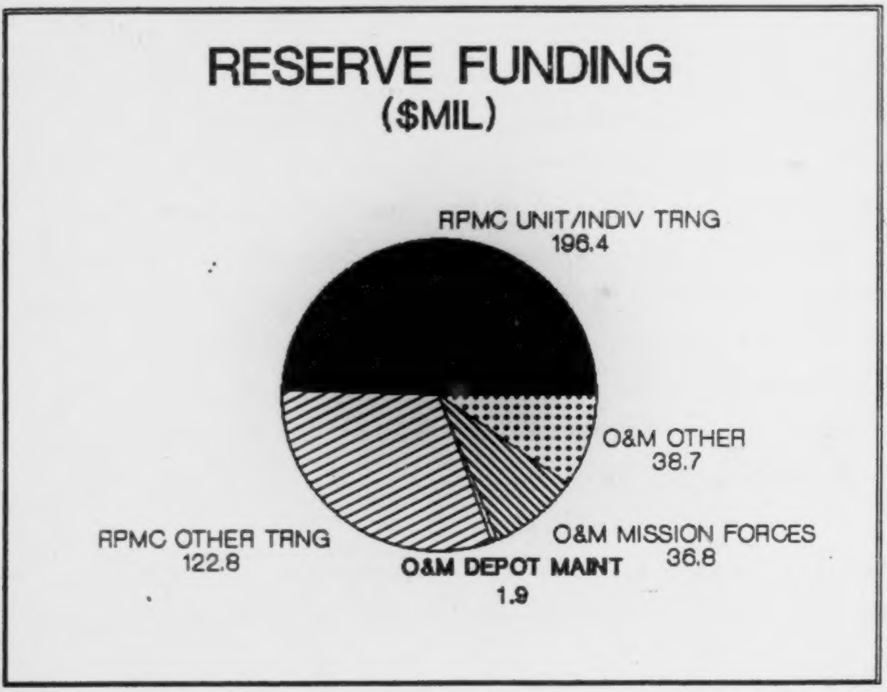


2

O&MMCR FUNDING
($MIL)



3


RESERVE FUNDING
($MIL)
RPMC UNIT/INDIV TRNG
196.4
O&M OTHER
38.7
O&M MISSION FORCES
36.8
O&M DEPOT MAINT
1.9
RPMC OTHER TRNG
122.8

CONCLUSION

The Marine Corps Reserve has continued to improve its combat readiness. The training and quality of our personnel and equipment is at an all time high as a result of your support. It is anticipated that the role of the Reserve in our Total Force will expand over the next 10 years as Congress and the Department of Defense tackle the tough decisions associated with budgetary austerity and manpower losses. Modernization efforts, force structure changes, and modest manpower growth require continued support in the form of equipment, training, and facilities to upgrade our warfighting capability.

Madam Chairwoman, I appreciate this opportunity to address your committee. The Congress has been quite supportive of our needs in the past, and we are thankful. The readiness of your Marine Corps Reserve will be further enhanced with your continued support.

MISSIONS

Mr. **Murtha**. Admiral, you talked about a matter that concerns me. The Navy Reserve is being given more missions, and I assume the Marine Corps Reserve is also. The Department and Congress continues to discuss increasing the Reserves missions substantially.

Have you been given more missions in the last couple of years?

Admiral **Smith**. No, sir. As a matter of fact, except for the additional frigates coming in, and I don't consider that an additional mission because they were programmed, we haven't taken on new missions since we took on the Airborne Mine Countermeasures mission about two years ago.

Mr. **Murtha**. Are you not involved in the drug search and seizures?

Admiral **Smith**. Yes, sir, but we do that as a matter of routine.

Mr. **Murtha**. That is an additional mission.

Admiral **Smith**. But we are doing it with the forces we have.

Mr. **Murtha**. I understand that, but I am asking do you have any additional missions?

DRUG INTERDICTION

Admiral **Smith**. In that context, yes. We are participating in drug operations.

Mr. **Murtha**. How can you continue to receive additional missions and retain your forces at the same highly trained level? Drug interdiction is one thing, but it is not the same to interdict drugs and to maintain your training.

Admiral **Smith**. I share your concern. Saturday I was flying on a drug interdiction mission with VP-94 out of New Orleans, a sharp outfit, to get a feel for that. What does it do? I think Mr. Duncan addressed that, it is good training for the pilots and co-pilots and some of the crew, but the ASW sensor operators get no training. Suppose we were to use a Reserve squadron over an extended period of time on drug operations, there are a number of things we could work into that without losing readiness. In the Caribbean area we have access to the ASW range, which is close by. We have other accessibility to training areas there, so we could rotate people out of the drug mission and right into the readiness training and back in.

Mr. **Murtha**. You could still accept some additional missions without any additional money?

Admiral **Smith**. Yes, sir.

Mr. **Murtha**. Mr. Livingston.

HEAVY ORGANIC AIRLIFT

Mr. **Livingston**. Thank you, Mr. Chairman.

Admiral and General, welcome. Admiral, we are glad you found that you had a successful mission in New Orleans, and I hope you continue those missions. I wondered if you could briefly explain how the Naval Air Reserve Force supports the fleet with heavy organic airlift.

Admiral **Smith**. If it is postured specifically as heavy organic airlift, we have a problem. The best we have to offer on that would be our C–9s, and they do a fine job, but there are limitations to it. I got a report that that particular aircraft is getting beat up a little bit because of the size of its cargo doors and our ability to put equipment into it.

So it is hard for us, and we also don't have that many aircraft. Our requirements for that aircraft are twice what we have. We have requirements for heavy lift in C-130s. We don't have any of those.

Mr. LIVINGSTON. In your written report to the Armed Services Committee last year, you said there was a Center for Analysis Study that verified a shortfall in heavy Navy organic ability and specifically provided for a requirement for C-130 type aircraft, is that correct?

Admiral SMITH. Yes, sir.

Mr. LIVINGSTON. How many total C-130 aircraft did the CNA study specifically as a Navy requirement for war-time contingency?

Admiral SMITH. I am working from memory, but I believe it is 29. I will check that.

[The information follows:]

I have confirmed that the CNA study specifically, as a Navy requirement for war-time contingency, called for a total of 29, C-130 type aircraft.

Mr. LIVINGSTON. The Navy, therefore, is short some C-130s—you currently have what, seven C-130s?

Admiral SMITH. The active Navy has those.

Mr. LIVINGSTON. So if you just count those, you would be short 22 C-130 type aircraft, correct?

Admiral SMITH. Yes, sir.

Mr. LIVINGSTON. Are any additional C-130s included in the fiscal year 1990 budget request?

Admiral SMITH. No, There are not.

Mr. LIVINGSTON. Would acquisition of these additional aircraft substantially increase the Naval Air Reserve Force capability to respond to fleet needs in the event of a serious conflict?

Admiral SMITH. It sure would.

Mr. LIVINGSTON. Would you say that the C-130 aircraft requirement is an important priority for your logistic support capabilities, and, if so, how important?

Admiral SMITH. If I were to put it in priority, it would be my number one air logistic priority.

Mr. LIVINGSTON. Thank you. I want to make sure the reeord reflects that because I think we are going to have to talk about that, Mr. Chairman. Thank you.

EQUIPMENT

Mr. MURTHA. Admiral, Congress has added dedicated equipment for the Reserves. Sometimes the Department doesn't budget sufficient funds, so Congress adds funds for the Reserve and National Guard. Do you budget the O&M money necessary to operate this equipment? Is it commensurate with the amount of equipment Congress has put into place?

Admiral SMITH. There are always some shoftfalls a few million dollars that we will have to come up with for something, but basically we can meet our obligation.

Mr. Murtha. Can you can operate your forces at a high state of training proficiency with the amount of O&M money you have available?

Admiral Smith. Yes, sir.

Mr. Murtha. General, is the Marine Corps the same way?

General Looney. Yes, sir, Mr. Chairman.

PERSIAN GULF OPERATIONS

Mr. Murtha. How about when your ships were called to the Persian Gulf.

Admiral Smith. We had the minesweepers called first, on short notice. The minesweepers went, and I think it proved the viability of our Naval Reserve Force ship program, because these are ships in the Reserves since the 1970s. They had been so well maintained that when the CINCs needed them, they got them, they deployed, they performed. I was on the ships. I saw it. It proves that that Naval Reserve Force ship program is excellent.

The problem is that the SELRES crews that we had paid and trained for years to be naval experts were not recalled to go with the ships.

Mr. Murtha. Why weren't they recalled?

Admiral Smith. I can't answer that. I don't know the decisions made.

Mr. Murtha. So you had to use regular Navy people aboard those ships who had to learn on the job or you had to pull people in from other ships to do the job, but they weren't as proficient as your Reservists would have been?

Admiral Smith. We had a make-shift crew for that portion of the SELRES billets. We sent out for volunteer Reservists and got a pretty good response, but we couldn't match the right rates and ratings for the jobs. For those billets not filled, we cross decked active duty sailors from other ships, put them on the minesweepers, and they learned to become minesweeper experts on the way to the Gulf.

Mr. Murtha. Are those ships still deployed?

Admiral Smith. We have three coming back, so there will be three over there.

Mr. Murtha. If those troops had gone with the ships, they would have been deployed for an extended period of time. Is there a way to work it where they could be deployed for an extended period and not lose their civilian jobs?

Admiral Smith. In an ideal situation, looking at what we have available, I would recommend that we recall those crews under 10 U.S. Code 673, which provides for a 90-day recall extendable for another 90 days. That takes those people, giving them an opportunity to deploy with the ships, and if you have to replace them, it gives you a chance to build up other crews to replace them. It also doesn't jerk around the active duty Navy sailors so that we foul up their PERS TEMPO.

Mr. Murtha. We continue to see articles about reducing troop strength overseas, bringing them back home—most of this is Army and Air Force. As we discuss reducing troop strengths overseas, increasing the size of the Reserve is also discussed. The Navy has a unique problem, I know you have training centers throughout the country, but it is still hard to train realistically away from the Coast.

Could you realistically increase the size of the Naval Reserve and increase your mission substantially?

Admiral SMITH. I think we can increase the size of the Naval Reserve, and I think we can increase our missions. What we would have to do is to look at what kind of mission, if it is going to be ships, what kind of ships. Those ships would have to be placed into ports where we could support them with people locally. We have studied what it costs to bring out of area Reservists to the ships. The cost blows it out of the water. So within limitations, we can do it.

We have to make sure that the maintenance facilities for those ships are in the right place, so we couldn't arbitrarily put ships into ports where they are not going to have the maintenance support they need.

RECRUITING

Mr. MURTHA. Do you have any problem with recruiting the Navy Reserve?

Admiral SMITH. No, sir. Recruiting is tough. The Navy Reserve is unique from the active Navy in that our primary effort is to recruit sailors who have been on active duty and our recruiters are, most of all people who have been drilling Reservists, so they are in their home town. That keeps it clean. There is a personal security aspect to that.

Mr. MURTHA. Any problem with Marine Corps Reserve recruiting?

General LOONEY. No, sir. We are meeting our goals. If you are alluding to the Pittsburgh situation, there were four Reservists involved. Our recruiters are not pressured by the Marine Corps. However, since recruiting is highly competitive, all recruiters want to excel, so it is an internal pressure put on the individual by himself or herself. The individuals involved were relieved and the two youngsters who were in boot camp are no longer in the Marine Corps.

Mr. MURTHA. The Commandant and I went to Parris Island, and the commanding general and the colonel who were running the recruiting section felt that they had recognized they were starting to have a high level of dropouts from that particular recruiting station. They sent somebody up to interview, even before it became public, but he just didn't ask the right questions.

Do you have a follow-up procedure whereby you can tell if a recruiter is doing something illegal when he recruits people?

General LOONEY. Yes, sir. General Lynch is the recruiting guru on the East Coast. He trains recruiters, so he can follow up on what his recruiters are doing based on how the recruits perform in boot camp.

Mr. MURTHA. You have less problem because most of your reservists have had active duty. You have their records, so it is no way where the records could be falsified.

General LOONEY. Yes, sir. We would have the same problems with non-prior service personnel, because those are the young individuals who walk in off the street, but we track them.

ACTIVE/RESERVE FORCE MIX

Mr. MURTHA. Major General Franklin testified that the Marine Corps is thinking of "moving some of the heavy things, bridging, some of our bulk fuel, to the Reserves" which would make a "lighter more mobile Marine Corps in the future." General Looney, are you aware of this proposal?

General LOONEY. Yes, sir. We are working that problem every day.

Mr. MURTHA. How will this affect the Reserve?

General LOONEY. That is why our Reserve component of the Marine Corps is getting bigger. With General Gray's war-fighting initiatives, we are lightening up the active force and the Reserves are assuming the responsibility for the units, like you suggested.

The equipment going in the Reserve is equipment already procured. It is going to be put in stores until we can stand up these Reserve units. We are lightening up the active force and the Reserves are assuming more of the responsibility.

Mr. MURTHA. Are you receiving sufficient funds to assume that responsibility?

General LOONEY. Yes, sir. Our fair share is adequate at this time.

FULL-TIME SUPPORT PROGRAM

Mr. MURTHA. Have you any problem with the full-time support program?

Admiral SMITH. I don't have any problems with it. I think it is a marvelous program. I think the Navy is probably the role model for the other components. I may be prejudiced in that. We have hard core dedicated people that serve in the fleet and bring that experience back into the Reserve and keep it going.

General LOONEY. We are growing in fiscal year 1990. We have the aircraft and are seeking hard skills, based on the new aircraft you have authorized us to have at Stewart and at Camp Pendleton. The program is very viable, and General Gray is supporting it fully.

EQUIPMENT

Mr. MURTHA. Any equipment shortfall priorities that we ought to know about in either of the forces?

Admiral SMITH. I think the Naval Reserve has been well funded by Navy. One of the things that doesn't show in the equipment dollars is that when we get a new frigate in the Naval Reserve force, we don't get charged for that, and the same applies to aircraft, so we don't have big dollars appearing in new purchases. If there happened to be any money laying around, we could apply it to good purpose.

The Naval Reserve has not been a beneficiary in the National Guard and Reserve Equipment Fund to the extent the other services have.

General LOONEY. The Navy buys our aircraft, and we would like to continue modernization of the 4th Marine Aircraft Wing. From the green side of the house, engineering equipment, tactical refueling systems and cranes are top priority, if that is what you are looking for, sir.

Mr. Murtha. Any specific equipment that you are looking for in the Navy Reserve?

Admiral Smith. For the big dollar items, I have, three categories. In the ASW world, we would like to see the SH-2F mods to SH-2G be done. That interfaces directly with the SQQ-89 that Navy is paying to put on the frigates. That combination gives us the ASW capability and inter-operability with LAMPS MK-3.

In air logistics, the C-130s would be a marvelous assistance to us in the logistics area.

In TAC air, I would like to see us get some EA-6Bs. We are flying EA-6As now, the fleet is flying Bs, and that is kind of an old type airplane, or the equipment is.

COOP HOMEPORTING

Mr. Murtha. Mr. AuCoin has some questions for the record.

[Clerk's note.—Questions submitted by Mr. AuCoin and the answers thereto follow:]

Question. What are your homeporting plans for the COOPs in FY 1990 and FY 1991? Please include all locations and timelines for placement in their homeports.

Navy Reserve. COOP Mine Unit homeporting plans and timelines are as shown below. The Atlantic Fleet stand-ups which are listed as "TBD" (to be determined) are being held in abeyance pending a summer review within Navy, results of the Base Realignment and Closure Commission (BRCC) and its attendant impact on Strategic Homeporting as well as platform characteristics required for the craft to replace the current YPs.

Unit	Location	Date established
1101	Seattle, WA	January 1985
1102	Astoria, OR	June 1985
1103	Long Beach, CA	April 1985
1104	Port Hueneme, CA [1]	FY 1989
1105	Pearl Harbor, HI	February 1989
1106	Valdez, AK	FY 1990
2201	Boston, MA	July 1988
2202	New London, CT	July 1986
2203	Perth Amboy, NJ [1]	TBD
2204	Perth Amboy, NJ	July 1988
2205	Cape May, NJ	July 1987
2206	Baltimore, MD	July 1987
2207	Morehead City, NC [1]	TBD
2208	Wilmington, NC	September 1986
2209	Savannah, GA	January 1985
2210	Kings Bay, GA	June 1985
2211	Pensacola, FL	August 1986
2212	Gulfport, MS	July 1988
2213	Lake Charles, LA [1]	TBD
2214	Lake Charles, LA [1]	TBD
2215	Galveston, TX	November 1984
2216	Corpus Christi, TX [1]	TBD

[1] Location of these units is tentative and requires Secretary of the Navy approval.

[Clerk's note.—End of questions submitted by Mr. AuCoin.

MEDICAL CORPS

Mr. MURTHA. Mr. Sabo also has several questions he would like you to answer for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Sabo and the answers thereto follow:]

QUESTION. We are placing increasing reliance on our reserve forces to perform many functions, such as medical care. Given that, has the Navy made any decision about adjusting the number of reserve flag billet assigned to the medical corps, especially to nurses or medical specialists? When would such a decision be implemented?

NAVY RESERVE. A proposal (DOD 100-50) to replace two existing flag officer billets with one Nurse Corps flag billet and one Medical Service Corps flag billet has been forwarded by Navy to OMB and is awaiting their approval. We strongly support that decision and intend to implement that decision upon congressional approval.

[CLERK'S NOTE.—End of questions submitted by Mr. Sabo.]

ELECTRONIC WARFARE SQUADRONS

Mr. MURTHA. Mr. Young has several questions he would like you to answer for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Young and the answers thereto follow:]

QUESTION. Admiral, we're all in agreement with the concept that the reserve carrier air wings must mirror the active wings, both for operational effectiveness and for supportability. Have you transitioned your reserve electronic warfare squadrons to the EA-6B yet?

NAVY RESERVE. Yes, VAQ-309, NAS Whidbey Island, WA is currently undergoing transition to the EA-6B ICAP II Block 86 Series aircraft. Twelve Electronic Countermeasure Officers (ECMOS) are onboard, seven of which have ICAP II experience. All pilots are former Fleet Replacement Squadrons (FRS) instructor pilots. All of the full-time support enlisted personnel will have completed formal schooling by July 1989 and Selected Reservist training is on schedule. The first of four EA-6B Prowlers will be delivered in June. The fourth aircraft is scheduled for delivery in November 1989. VAQ-209, NAS Norfolk will begin personnel training in FY 1990. Four EA-6Bs are scheduled for delivery during FY 1991.

QUESTION. What effect if any, does the administration's proposal to forego further EA-6B production after FY 1989 have on those plans?

NAVY RESERVE. While the curtailment of EA-6B production will not immediately affect the near term transition of VAQ-209 and VAQ-309, Total Force inventory shortfalls by the mid 1990s are inevitable. This inventory shortage will have a negative impact upon combat readiness in both reserve and active squadrons. This shortfall is expected to reach a critical point in FY 1996. At that time, the Navy anticipates the need to begin decommissioning Prowler squadrons, creating a seriously degraded EW posture from the mid 1990s, well into the next century.

[CLERK'S NOTE.—End of questions submitted by Mr. Young.]

RESERVE ACTIVITIES IN NEW ORLEANS

Mr. MURTHA. Mr. Livingston has several questions he would like you to answer for the record.

[CLERK'S NOTE.—Questions submitted by Mr. Livingston and the answers thereto follow:]

QUESTION. Provide for the record the latest update to the tables inserted in the FY 1988 Hearing Record of this Subcommittee regarding Naval and Marine Corps activities in the New Orleans area (See Page 604, DOD FY 1988 Hearing Record, Part 4, House Appropriations Subcommittee on Defense). Since this request was not met during the FY 1989 hearing, please provide the update table for the last two years.

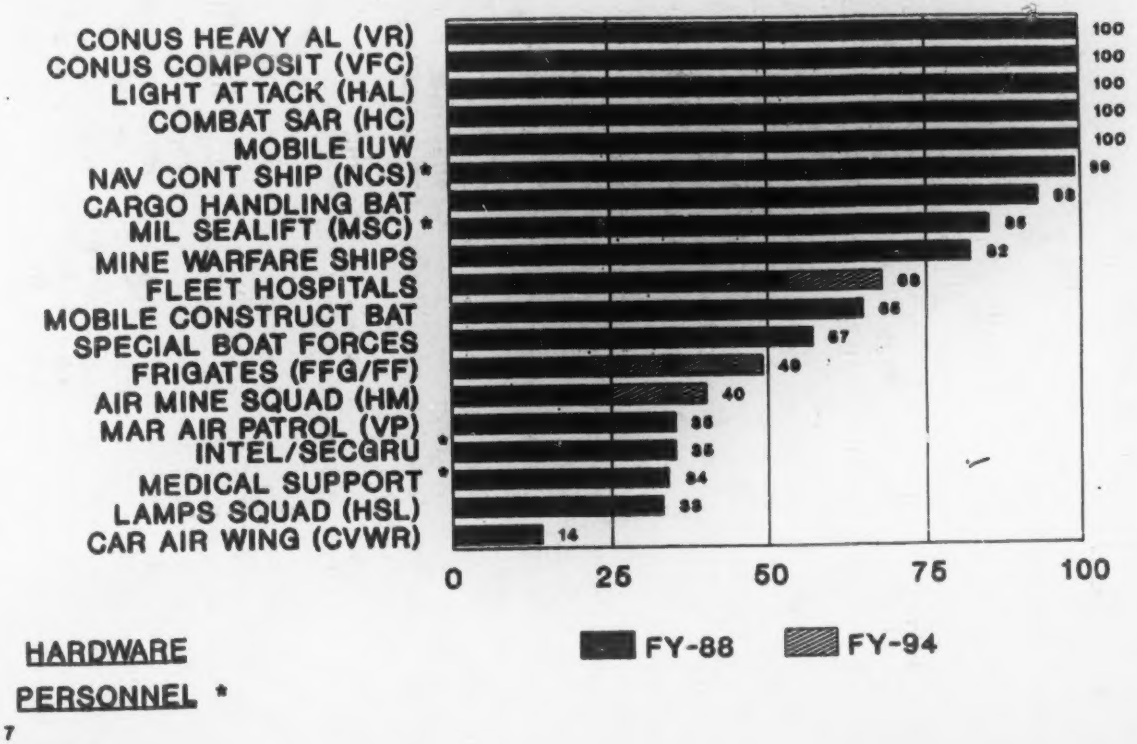
NAVY RESERVE. The FY 1987 information follows. The data for FY 1988 is presently bring collected and it is anticipated that a report will be forwarded within 60 days.

Summary command	Personnel	Payroll
COMNAVRESFOR	435	$14,288,180
COMNAVAIRESFOR	156	4,900,899
COMNAVSURFRESFOR	121	4,236,706
EPMAC	320	11,227,000
FSS-1	11	404,055
MSCUNOLA	8	247,838
NPPSDO, NOLA	27	629,000
NAVRESFIPC	153	3,474,000
NAVRESPERSCEN	468	9,302,159
NAVAIRLOGOFF	58	1,715,990
NAVCRUITDIST New Orleans	135	3,230,627
NARDAC	193	5,478,579
Fourth MAW	281	10,178,671
Fourth MARDIV	368	6,505,152
NAVBIODYNLAB	81	2,253,658
NAVRESREDCEN New Orleans, LA	[1] 624	2,874,215
H&S Co. 3rd Btn. 23rd Marines	[2] 207	391,400
NROTC Tulane	[3] 160	415,163
NAVSUPPACT New Orleans	876	15,777,399
CCPO New Orleans	51	1,501,865
NAVINSERVREGO	13	308,503
NAVLEGSVCOFFDET	5	125,859
NAVRESREDCOM REG TEN	[4] 81	1,501,865
NAVMEDCLINIC New Orleans	119	3,258,280
PERSUPPACT	134	2,549,207
OICC/ROICC	12	336,110
SPECBOATU Two Two	[5] 229	675,000
SUPSHIP	200	6,027,681
EIGHTH MCD New Orleans, LA	65	1,873,289
NAS New Orleans	[6] 2,135	14,200,000
NAVOCEANCOMDET	9	244,125
MAG Four Six Det. Bravo	[7] 342	2,599,311
Total	8,077	132,572,921

[1] Includes 602 drilling Naval Reservists.
[2] Includes 185 drilling Marine Reservists.
[3] Includes 150 NROTC Midshipmen.
[4] Includes 32 drilling Naval Reservists.
[5] Includes 184 drilling Naval Reservists.
[6] Includes 1,178 drilling Naval Reservists.
[7] Includes 204 drilling Marine Reservists.

NAVAL RESERVE MISSION AREAS

PERCENTAGE OF NAVY'S TOTAL CAPABILITY



[Clerk's note.—End of questions submitted by Mr. Livingston.]

Mr. Murtha. Please answer the following Committee questions for the record.

[Clerk's note.—Questions submitted for the record and the answers thereto follow:]

READINESS

Question. Secretary Duncan, in his statement, mentioned that there is uneven implementation by the Services of the Department's policy of "First to Fight, First to Equip." What are you doing to ensure that the early deploying units of the Naval Reserve receive the required equipment?

Navy Reserve. All Naval Reserve units are subject to early deployment depending upon the particular mobilization scenario envisioned. Under Navy's horizontal integration policy, I help develop proposals to modernize Naval Reserve equipment at levels commensurate with the active force. Equipment is distributed in a manner to ensure organizational integrity, maintenance compatibility, supply support, and fleet inter-operability.

Marine Corps Reserve. The policy of "first to fight, first to equip" is in consonance with our single acquisition objective and horizontal fielding programs. The Marine Corps Reserve requirements are identified concurrently with the Active component and fielded accordingly. This policy has allowed for the timely introduction of items to the Marine Corps Reserve inventory and more specifically earmarks those augmenting/reinforcement units requiring this equipment first.

Question. Are you efforts primarily to support the combat units or does it involve the combat support units and combat service support units?

Navy Reserve. The Naval Reserve describes units as being in two categories: commissioned hardware units, which have specific equipment allowances and are capable of independent deployment; and augmentation units (comprised of reinforcing and sustaining units), which provide trained personnel to augment existing active component gaining commands. I have responsibility to provide equipment to support commissioned units, while the active component gaining command has the responsibility to provide equipment for Reserve personnel augmenting their commands upon mobilization.

Marine Corps Reserve. All our equipment acquisition objectives include Active and Reserve requirements concurrently, including initial issue quantities and planned sustainability for Reserve units which would deploy by M+30 regardless of unit type. No distribution of bias is maintained toward combat, combat support or combat service support units.

Question: It appears the Congress and Defense Department is heading in the right direction by providing more equipment. This is highlighted because the Department is required to submit an annual report to Congress on equipment for the Reserve components. The main concern today is that while it is necessary to equip the units based on the first to fight principle, it is also paramount that these units be trained on the same principle. It often appears that the operations and training resources are not provided in a timely manner to train and support the Reserve components. Are you aware of any problems in this regard? What is being done to correct any such mismatch of equipment with training and operating dollars?

NAVY RESERVE. I know of no mismatch of equipment with training and operating dollars for which remedies are not either underway or programmed.

Navy's policy of horizontal integration has brought fleet compatible ships, aircraft and equipment to the Reserve. The increase in IDTT funding and implementation of SPUR is taking our sailors to their gaining commands and providing training that is directly related to readiness.

MARINE CORPS RESERVE. This is not a problem in the Marine Corps Reserve. Reserve units currently maintain a portion of their Table of Equipment (T/E) on-hand as a Training Allowance (T/A). Approximately 92% of their T/A requirements are on-hand. This T/A provides Reserve units with sufficient resources to conduct MOS training and to meet operational commitments. During annual training duty exercises this T/A may be augmented by additional equipment held in exercise allowance pools or temporarily loaned from active units sited in close proximity to the exercise area. This augmentation is planned well in advance and little difficulty is experienced. When a new piece of equipment is fielded in the Marine Corps, the Reserve is fully integrated into the training plan. Sufficient resources are planned and allocated to support both Active and Reserve requirements for operational and maintenance training, to include new equipment training, MOS qualifying schools and skill progression training.

QUESTION. In order to augment the active forces for any operational mission, section 673(b) of 10 United States Code authorizes the Secretary of Defense, upon determination by the President, to order any unit or member of the Selected Reserve, without consent of the Members concerned, to active duty (other than for training) for not more than 90 days. Otherwise the Reserves have to rely on volunteers for extended duty.

As you know, the reserve components are becoming involved in more and more operational missions. What impact does this restriction have on the Secretary's ability to mobilize the Navy Reserve units in time of crisis but short of national emergency?

NAVY RESERVES. In responding to your question, I refer back to the letter dated 6 December 1974 from the Office of the Secretary of Defense to the Speaker of the House which forwarded the proposed legislation that was subsequently enacted as 10 USC 673b. Among other things, the letter said, "It is important that the President be able to augment the active forces with the Reserves for operational missions without having to declare a full scale national emergency with all the attendant international and domestic implications this can have."

The letter also said, "There needs to be firm assurance of Reserve availability for employment in crisis situations short of national emergency, in order that active force commanders may place a high degree of reliance on the Guard and Reserve."

That law is now 15 years old and has never been invoked despite situations where Reserve forces could have been used and situations where, in my opinion, they should have been used, such as calling up the Reserve crews of the minesweepers that were sent to the Persian Gulf.

That raises the question why it has not been invoked? I believe if we refer back to the comments made in that 1974 letter we will acknowledge that the "attendant international and domestic implications" which 10 USC 673b was intended to preclude are in fact still present in the form of the War Powers Act, and because the statute has not been used, there is concern for reaction throughout the country and within the media to a "Reserve call-up."

The litmus test for evaluating the accessibility to Reserve forces for operational missions, in time of crisis or other situations short of total mobilization is to ask the question if any fleet or force commander can, in the words in the previously quoted letter, have "firm assurance of Reserve availability for employment in crisis situations short of national emergency."

The experience of calling up the minesweepers and two frigates when needed in the Persian Gulf without the Selected Reserve crew members who had been paid and trained for years as a part of those crews, is clear evidence that no fleet or force commander can have the "firm assurance" intended under 10 U.S.C. 673b.

MARINE CORPS RESERVE. The force mix of the Marine Corps Total Force prepares for rapid response to any contingency.

QUESTION. The "total force" concept requires Reserve early deploying units to be manned and equipped at levels which make them combat ready on short notice. How ready is your Reserve component?

NAVY RESERVE. Naval Reserve Force (NRF) ships, air Reserve squadrons and other commissioned units of the Naval Reserve have readiness capabilities equal to active ships, squadrons and other counterparts.

Readiness ratings for our reinforcing/sustaining units have improved from 45 percent to over 70 percent R1&2 in the past two years. Less than 5 percent of these units are R4.

MARINE CORPS RESERVE. Readiness in the Reserve is measured at battalion/squadron level by several systems providing, for the most part, objective, quantifiable grades.

The Marine Corps Combat Readiness Evaluation System (MCCRES) is administered triennially by division to its units. Scores are derived from a unit's ability to perform combat oriented tasks (to active force standards). The scores are then analyzed to point out strengths and weaknesses which can be addressed by future training to attain full combat readiness.

The Mobilization Operational Readiness Deployment Test (MORDT) is a Reserve specific program to measure the ability of units to mobilize. This "no notice" test is also administered every 3 years by the 4th Marine Division and 4th Marine Aircraft Wing to their respective company/squadron sized and larger units. Again, scores are measures of a unit's ability to carry out specific tasks related to mobilization.

The Status of Resources and Training System (SORTS) grades units in four resource areas: personnel, equipment supply, equipment readiness, and training. Grades are given as "C-levels" and correspond to a percentage of personnel fill, MOS match, equipment fill, and equipment operationally ready. The training resource area is the only subjective score, based on the unit commander's assessment of how many weeks of training his unit would require to become combat raady for training purposes.

Al three programs are conscientiously implemented and provide hard, quantifiable grades to unit commanders, and higher headquarters, for determining individual unit readiness.

QUESTION. Does your component have enough of the right skill people for the right slot; enough of the right equipment in the right place; and can you get the people and the equipment together in time?

NAVY RESERVE. The Naval Reserve assigns people to billets according to their rating which is their skill area. In a few cases we can aasign sailors who are training for their rating, but even there, it must be allowed by substitution criteria. Thus skill mismatch is not a problem in the Naval Reserve. Regarding equipment, we have compatibility and on-hand inventory equivalent to active Navy.

MARINE CORPS RESERVE. The Marine Corps over the past 5 years has concentrated on meeting the requirements of units by recruiting for specific line numbers and by MOS. Our unit to MOS match has risen from 67 percent in FY1986 to 83% in FY1988. There are still some challenges remaining—the hard skills for our Aviation and CSS units. Retraining programs have been developed to assist in meeting our goals. Programs will be measured at the end of FY 1991. In respect to equipment, the Marine Corps has on hand 92 percent of its Training Allowances.

QUESTION. What is in the fiscal year 1990 budget which will help make your component ready?

NAVY RESERVE. The fiscal year 1990 funding level will allow the Naval Reserve to continue to support a ship operating tempo of 21 days per quarter and permit the Naval Air Reserve to maintain a primary mission readiness of 87 percent. The Naval Reserve ships, aircraft and equipment will continue to be maintained and modernized, in keeping with the "Total Force" edict, in order to meet future mission requirements. Finally, funding will support operation of Special Combat and Special Operations Forces, as well as base operational support to Naval Reserve Forces. Our Surface Training initiatives, a part of the Surface Program to Upgrade Readiness (SPUR) are funded as is increased Inactive Duty Travel Training which allows our Reserve sailors to train at their mobilization site.

MARINE CORPS RESERVE. Structural changes that will be advantageous to the Marine Corps Total Force will be continued or completed during fiscal year 1990. These changes include continued effort to stand up 3 bulk fuel companies and 2 bridge platoons.

Aviation structure/equipment changes will also increase readiness. Additionally, we are starting to equip the Reserve Fighter Squadrons with the F/A-18 and will continue through fiscal year 1990. This will enable the active and Reserves to integrate more easily since the same equipment will be used.

The end strength for fiscal year 1990 has been increased by 400. This increase is primarily for our Full Time Support Personnel to allow us to augment Marine Battle Skills Training and for structure growth in the 4th Marine Aircraft Wing to support our Total Force warfighting initiatives.

Question. What is still left to do in future years?

Navy Reserve. The future for the Reserve holds one major challenge: whether our personnel will be accessible, if needed for operational missions or crisis situations short of total mobilization. If the answer proves to be yes, history will judge that the efforts and expense of the recent past in creating a Total Force with greatly expanded Reserve participation was economical, wise, and a major improvement in our defense posture. If the personnel and equipment assets placed in the Reserve are not used when needed, the judgement will be equally predictable, but negative. The Active Force will appropriately question the wisdom of placing missions within the Reserve which, when needed, had to be met by an Active Force with depleted resources. The taxpayers will question the economics of placing state-of-the-art equipment in a Reserve that trains only for an unlikely global war. Morale will suffer in both active and Reserve components; active recruting and retention will suffer due to the number of operational commitments and longer deployments. The wrong message will be sent to real or potential adversaries, who will likely view our military potential from Reserve participation as a paper tiger with minimal deterent value, "* * * full of sound and fury, and signifying nothing * * *"

Marine Corps Reserve. Readiness has been and will continue to be the Marine Corps Reserve's number one priority. We have and will continue to emphasize unit and individual training and operations geared to keep Reserve Component capabilities on par with Active Component counterparts. This is typified by a significant investment in Active Duty in support of the Reserve to facilitate these programs. Also, a single acquisition objective of procuring new equipment/capabilities concurrently for Active and Reserve Components has worked towards keeping Reserve assets interoperable with Active Component counterpart. Our Reserve Component future readiness depends heavily on these two area: (1) continued moderization of the Reserve Component to achieve/maintain interoperability with Active Component Counterparts and (2) continued Active Duty Support of the Reserve to ensure continued success of unit training and operations.

ACTIVE VERSUS RESERVE UNITS

Question. Former Navy Secretary Lehman in a news article stated that the United States needs to change the balance between active and Reserve forces. He indicated that each service has too much of its force structure on full-time active duty.

Navy Reserve. I take it as a compliment that the former Secretary of the Navy thought so highly of the Naval Reserve that he would make that comment. In that regard, I would take it positively.

First of all, the active Navy is severely stretched right now in force structure in carrying out its peace time requirements. We see that in a recent increase in the perstempo of our people.

The second thing that requires consideration before we take anything out of the active forces is the question of whether that mission is likely to be needed short of total mobilization. We must resolve the issue of accessibility of the Reserve. Force commanders must have assurance that if those forces shift from active to Reserve, and they need them, they can get them.

MARINE CORPS RESERVE. The Marine Corps is continually evaluating and realigning its Active/Reserve force structure mix. Our active forces are configured to field three MEFs simultaneously. This is the force we need to be responsive to the possible contingencies presented. The force structure we have in place, and those changes we will be making through FY 1992, support the Commandant's warfighting initiatives and ensures that we have only that force structure in the active component which balances capabilities to contingencies. We are increasing Reserve wing capabilities (KC-130Ts, AH-1Js); the ground capabilities (3 general support battalions, 2 general support batteries); while we will augment 16 active infantry battalions, with Reserve refle companies.

QUESTION. What are your views on the current active/Reserve mix of our forces?

NAVY RESERVE. The most efficient and cost effective force mix would put into the Reserve, those mission areas with a low likelihood of need during peacetime. But if, even though unlikely, that need should arise, those Reserve forces must be immediately available.

The recent Persian Gulf operations is an example of past problems related to accessibility.

Except for the incident in the Red Sea a few years ago, there has been no need for mine warfare forces by the United States Navy in nearly 20 years. Wisely, and in the context of Total Force, Navy put nearly all of its mine warfare capability in the Naval Reserve. Thus, when the Navy needed mine warfare skills in the Persian Gulf, it turned to the Naval Reserve Force. We had both the ships and the well-trained sailors. We sent five Naval Reserve minesweepers, but did not recall the Selected Reserve sailors assigned to those ships. The result was a loss in crew integrity and a requirement to depend on some crew members who had not trained aboard the ships.

Before the service can respond to questions regarding proper force mix, they first need an answer to the question, "will that part of the force mix in the Reserve, be available for use in situations short of total mobilization?"

If the answer is yes, and they can count on that, then the armed services can establish the most economical force mix by putting into their Reserve component all of those mission areas not required for normal peacetime operations.

If the answer is no or as it stands now, the answer is ambiguous, then the armed services are forced to retain on full time active duty those forces needed in peacetime, plus at least a part of every other mission area for which there is a possibility of need in some contingency situation, short of total mobilization. This requires a larger force structure, more people on active duty and drives up the cost of Defense.

MARINE CORPS RESERVE. We believe our force structure, both in place and programmed, support the Commandant's warfighting initiatives.

QUESTION. For the record, provide for each component what additional roles the reserve components can contribute to the "Total Force" concept. Where possible, also provide what additional resources (dollars and personnel) would be required?

NAVY RESERVE. There are limits as to which programs can effectively be placed in the Naval Reserve, especially given the manpower constraints under which we operate. In other words, if Congress wants to give the Naval Reserve additional responsibilities, it must also recognize that we will need additional active duty manpower and operating funds for these programs. What may be less obvious is the "hidden question" that is part of every decision to assign a new responsibility or mission to the Naval Reserve—"Will those assets be available if needed short of total mobilization?"

The Naval Reserve has greatly expanded its mission responsibilities in recent years.

Prior to expanding our mission responsibility, several questions must be answered:

Will fleet commanders have easy access to Reserve resources if needed, short of total mobilization?

Does the nature of the mission require full-time availability of assigned personnel, or can requirements be meet by Selected Reservists on a part-time basis?

Is the mission likely to be needed in peacetime, and therefore less appropriate for placement in the Reserve?

The Active Force has a right to expect the Reserve to meet assigned missions. Costly new equipment placed in the Reserve should be used.

These questions have grown in significance as the likelihood for full mobilization decreases and the probability of low-intensity conflict increases.

The cost of assigning additional missions to the Reserve would obviously be dependent upon the nature of the mission. Demographic factors, such as the geographic location and availability of individuals with specific skills and training opportunities would also be factors to consider.

MARINE CORPS RESERVE. Sixteen Reserve rifle companies have been assigned as the fourth company to selected infantry battalions. Several artillery battalions will assume the general support mission of those units which will transfer to the Reserves in FY92. At this point, there may be a slight increase in training dollars required. The Commandant's warfighting initiatives place greater emphasis on the need for Selected Marine Corps Reserve units to train with their active, augmented units. The augmenting/reinforcing role the Marine Corps Reserve is to play provides the mission for the Reserve in the "Total Force" concept. Any additional roles would have to be analyzed and reviewed.

DRUG INTERDICTION EFFORTS

Question. The Congress is very concerned about the amount of drugs currently entering this country and has provided the Department of defense $300 million in fiscal year 1989 to help combat this problem. What role do you play in determining when and how much your component can be utilized in the drug interdiction efforts of the Defense Department?

Navy Reserve. Naval Reserve aircraft and ships have conducted drug interdiction missions since 1982. Naval Reserve assets are coordinated and tasked by fleet CINCS in conjunction with mobilization readiness training. The Naval Reserve cooperates fully in this effort. In FY 1988 Naval Reserve aircraft flew 432.2 hours and Naval Reserve ships steamed 141 days in support of drug interdiction. Through the second quarter FY 1989 our flight hours are 896.6 and steaming days 182 toward this effort.

Marine Corps Reserve. I have been assigned by the Commandant to lead efforts on the demand side of the drug interdiction program. The Reserve, because of its close ties to civilian communities, has a unique opportunity, and responsibility, to provide community leadership and promote local anti-drug initiatives. Anti-drug education is an area we are looking at very closely. On the supply side of the drug interdiction equation we are looking at ways to increase surveillance operations and provide logistics support to drug interdiction agencies. The Commandant has formed a Counter-Drug Working Group to coordinate Total Force anti-drug efforts. We are deeply involved in this group's activities and continue to explore areas where the Reserve can contribute without degrading our readiness.

Question. Do you have any reservations about involving your component in this effort?

Navy Reserve. Currently the Naval Reserve is providing mutual support for the drug interdiction effort as tasked by the fleet CINCs. Full utilization of the Naval Reserve would be enhanced during peacetime through involuntary call up of Selected Reservists under Title 10 USC 673b. Utilization of Naval Reservists during their annual two-weeks active duty for training will provide a low level of participation and will also detract from mobilization readiness training.

Marine Corps Reserve. The legal ramifications of involving the military in a social domestic problem can have some unsettling effects. I believe we must be very careful as we proceed in this area.

Question. Do you believe your component is utilized to its fullest? What additional roles can you play?

Navy Reserve. Currently the Naval Reserve is providing mutual support for the drug interdiction effort as tasked by the fleet CINCs. Full utilization of the Naval Reserve would be enhanced during peacetime through involuntary call up of Selected Reservists under Title 10 USC 673b. Utilization of Naval Reservists during their annual two-weeks active duty for training will provide a lower level of participation and will also detract from mobilization readiness training.

Additional roles the Naval Reserve can participate in are very limited but there may be some specific situation where they could play a role. The Naval Reserve has four Special Boat Units which could provide coastal and riverine patrol craft. In addition, the Naval Reserve has a limited capability to participate through its 26 Mobile Inshore Undersea Warfare (MIUW) units and 16 surveillance vans which have a coastal surveillance capability. Should it be required, there is also a limited capability for participation by naval Reserve Security Group (SECGRU) units.

MARINE CORPS RESERVE. I have been assigned by the Commandant to lead efforts on the demand side of the drug interdiction program. The Reserve, because of its close ties to civilian communities, has a unique opportunity, and responsibility, to provide community leadership and promote local anti-drug initiatives. Anti-drug education is an area we are looking at very closely. On the supply side of the drug interdiction equation we are looking at ways to increase surveillance operations and provide logistics support to drug interdiction agencies. The Commandant has formed a Counter-Drug Working Group to coordinate Total Force anti-drug efforts. We are deeply involved in this group's activities and continue to explore areas where the Reserve can contribute without degrading our readiness.

SELECTED RESERVE PERSONNEL

QUESTION. The Navy Reserve end-strength for fiscal year 1990 is 153,200 which is an increase of less than one percent over last year. Admiral Smith, what impact does this small growth have on the Navy Reserve?

NAVY RESERVE. The critical portion of Selected Reserve growth is full-time support (FTS) personnel. Most full-time support personnel in the field are assigned to commissioned units while our recent Selected Reserve growth has been associated with non-commissioned units, (i.e.: units drilling at a Reserve Center). What appears to be a favorable ratio of FTS personnel to Selected Reservists is skewed by the large FTS numbers in our commissioned units. In fact, our Reserve Centers and Readiness Centers, which support over 60% of our Selected Reservists, are undermanned.

QUESTION. Is your force structure being frozen? If not, how will the Navy Reserve accomplish its missions?

NAVY RESERVE. Naval Reserve Force structure isn't frozen. An increase of 717 full-time support is included in the FY 1990 requested end-strength to meet requirements on Naval Reserve Force (NRF) ships, the SIMAs, and in the medical programs. Requested inactive Selected Reserve end-strength for FY 1990 includes a 83 increase to meet medical requirements.

QUESTION. Within the Selected Reserve, the full-time support personnel have increased 1.5 percent, while the drilling reservists have decreased? Why is this growth in full-time support necessary if the strength of the drilling reservists is decreasing?

NAVY RESERVE. The number of drilling Reservists has not decreased. It increased from FY 1980 to FY 1988 and was level for FY 1989 at 130,609. An increase of 271 is programmed for FY 1990, for an end-strength of 130,880. Although they are termed "support", most of the increase in FTS is required to fill operational billets aboard additional ships being transferred to the Naval Reserve

Force (NRF). Between FY 1989 and the end of FY 1991, the NRF will receive two frigates and two amphibious ships. In response to your committee's direction in previous years, Navy mans the active portion of NRF ship crews with a high proportion of TAR personnel, relying on USN personnel only when TARs are not available in sufficient numbers or where TAR ratings do not exist. This policy, combined with the fact that a high proportion of an NRF crew must be active duty (TAR or USN) in order to conduct minimal ship operations, results in higher FTS growth relative to Selected Reservist growth than is required in other Reserve programs.

In addition to the FTS growth for ship crews, there is an accompanying increase in FTS support of maintenance activities at Reserve homeports. This is required because the reduced active manning of NRF ships causes some ship's work to be delegated to shore maintenance activities.

Finally, some of the growth between FY 1989 and FY 1991 is associated with the continuing conversion of existing NRF ship billets from USN to TAR that is made possible as the TAR rating structure is expanded. Thus, the requested growth includes manning not only for new NRF ships, but also for ships that joined the inventory in prior years, as Navy adjusts the manning mix to the desired goal.

Question. Explain why mobilization training increases by 12.6 percent.

Navy Reserve. Mobilization training increases by 12.9 percent due to a projected increase in the Individual Ready Reserve (IRR) population from 90,000 members in FY 1989, to 113,000 members in FY 1990. The mobilization training account provides for the total costs of training officers and enlisted members of the IRR. The IRR population is projected to increase in size due to an increase in the length of total obligated service incurred by Navy personnel. Navy is required to annually screen IRR members to identify mobilization deficiencies. The costs of this increased screening process, coupled with the costs of increased required refesher mobilization training (for a larger IRR population), drives the movement of this account.

Question. Explain why Health Professions Scholarships increase by 13 percent?

Navy Reserve. Within Navy the Armed Forces Health Professionals Scholarship (AFHPS) estimated cost is $13.269 million in FY 1989 and is expected to increase by 11.5% to $14.990 million in FY 1990. In November 1988, ASD(HA) authorized an increase in the number of authorized scholarships from 1050 to 1175 for FY 1989. The program is a proven and effective way to increase the inventory of Navy physicians. Currently the number of applicants exceed the number of scholarships available. Due to the increasing demand it is expected that, in November 1989, ASD(HA) will authorize a further increase in the number of scholarships in FY 1990 to 1200, a 12.5% increase from 1050 at the beginning of FY 1989. A contributing (though relatively small) factor in the cost increase associated with pay raises.

Question. The Marine Corps Reserve end strength for fiscal year 1990 is 44,000, which is an increase of less than one percent over last year. What impact does this small growth have on the Marine Corps Reserve?

MARINE CORPS RESERVE. This small growth supports the maintenance intense requirements for the aviation units and allows the Reserves to receive the same recruit training as their active duty counterparts.

QUESTION. Is your force structure being frozen? If not how will the Marine Corps Reserve accomplish its mission?

MARINE CORPS RESERVE. Our force structure is not being frozen. Our mission is to provide trained and qualified units and individuals to be available for active duty in time of war, national emergency, and at such times as national security may require.

QUESTION. Within the Selected Reserve, the full-time support personnel have increased 18.3 percent, while the drilling reservists have decreased. Why is this growth in full-time support necessary is the strength of the drilling reservists is decreasing?

MARINE CORPS RESERVE. The growth in end strength is attributable to an increase of 250 Full Time Support (FTS) personnel to support the standup of a Cobra squadron, increased KC 130's at Stewart, and 106 FTS personnel for Marine Combat Training.

QUESTION. For the record, provide a detailed explanation of why such a large growth of 18.3 percent is required in fiscal year 1990?

MARINE CORPS RESERVE. The Commandant of the Marine Corps has made a heavy commitment of full-time support to the Reserve Establishment. Our support to supported ratio provides the minimum number of personnel necessary to maintain a force capable of mobilizing and deploying. The ratio varies by unit type. Aviation units (flying squadrons) require more full-time support personnel based on the level of maintenance required to maintain operational readiness tempo and unit prescribed safety standards.

QUESTION. Explain why active duty military increases from 7,006 to 7,471, a 6.6% growth. Provide details for the record.

MARINE CORPS RESERVE. Our active duty military actually increases from 6939 to 7262 vice 7006 to 7471. This is an increase of 356 personnel from 1945 to 2301 for the reasons shown above with a decrease of 33 in regular component support from 4994 to 4961.

FULL-TIME SUPPORT (FTS) PROGRAM

QUESTION. One of the advantages of the Full-Time Support (FTS) program is that it provides an increased level of military skills in units. What percentage of FTS personnel are not qualified (e.g., MOS qualified) for their duty positions? Please explain the reason why these persons are not qualified.

NAVY RESERVE. Navy personnel are grouped into warfare and occupational fields called officer designators and enlisted ratings. When more specific skill qualifications must be identified within designator or rating, Naval Officer Billet Classification (NOBC) and Navy Enlisted Classification (NEC) codes are used. NOBC and NEC codes are not MOSs. Some FTS personnel may be assigned a paygrade lower than required for their position, but virtually all FTS personnel are assigned within rating.

MARINE CORPS RESERVE. Approximately 4% of FTS personnel are not qualified by occupational field for the position they fill at the time of initial assignment. They are not qualified because while they have on the job experience in their job specialty, they lack the formalized school training required. They are scheduled for requisite school training subsequent to FTS assignment.

Question. What policies/practices do you follow in allocating these personnel to selected reserve units?

Navy Reserve. Commissioned unit manning requirements are validated by ship and squadron manning documents. FTS personnel are assigned to commissioned units are determined by these validated requirements.

Shore requirements are determined by a shore manning validation procedure known as efficiency review. Based on this procedure, FTS personnel are assigned to shore activities in support of reinforcing and sustaining units which drill at air and surface training activities.

Marine Corps Reserve. Priority assignments of FTS personnel is to the Selected Marine Corps Reserve. The 4th Marine Aircraft Wing and 4th Marine Division comprise 75% of the FTS authorized asset.

Question. Do early deploying units have more FTS personnel assigned than later deploying units?

Navy Reserve. All our units are subject to early deployment depending upon the particular mobilization scenario envisioned. Priority manning focuses on commissioned units, those with hardware that will also be involved in deployments.

Marine Corps Reserve. 75% of the FTS personnel are assigned to combat, combat support or combat service support units of the Division/Wing Team. These individuals will deploy when their respective units are mobilized.

Question. If early deploying units are not receiving priority in FTS personnel assignments, provide your rationale for not doing so.

Navy Reserve. The Naval Reserve does not designate specific units as early deploying units. Depending on the nature of mission requirement, a wide range of Naval Reserve units might be the first to be called to respond. For example, in the recent Persian Gulf experience, Naval Reserve Control of Shipping units were the first to deploy.

Marine Corps Reserve. As indicated in an earlier question, these individuals deploy when their respective units are mobilized.

G.I. BILL

Question. The Reserve Forces Policy Board during its quarterly meeting in December 1988 recommended that the Montgomery GI Bill should be amended to provide benefits for those attending trade or vocational schools. Do you support this proposal?

Navy Reserve. Vocational-technical training, particularly that which improves the rating (skill area) of the sailor would be most beneficial.

Marine Corps Reserve. Yes, we support VOTECH training.

Question. The GI Bill is considered to be a good recruiting and retention tool. Do you agree? Do you believe extending it to trade and vocational schools will have a further impact on recruiting and retention?

Navy Reserve. Yes, we agree that the Montgomery GI Bill is a good recruiting and retention tool. Extending it to include trade and vocational schools would further impact positively, not only on recruiting and retention, but also if directed to the sailors rating (skill area) would enhance readiness.

Marine Corps Reserve. It is definitely a recruiting tool. I believe that any effort to improve the lot of the young Marine is a boon, and it should help our recruiting efforts. Recruiting and retention would be improved, but there is no empirical data to estimate to what extent.

Question. For the record, provide by component for fiscal years 1987, 1988, 1989, 1990 the number of personnel who utilized the GI Bill and the amount of payments. Also, provide how much additional would be required in fiscal years 1989 and 1990 if the GI Bill was extended to include trade and vocational schools.

Navy Reserve. The cumulative number of Naval Reserve personnel who utilized the GI Bill and the amount of payments for fiscal years 1987, 1988, 1989 (through April 1, 1989) and an estimate through 1990 is as follows:

Year	NR members using benefits	Amount of payments
FY 1987	6,912	7,131,065
FY 1988	11,076	13,476,761
FY 1989 (4/89)	13,810	18,530,019
FY 1990 (Est)	15,776	26,376,761

If the GI Bill was extended to include trade and vocational schools, the estimated first year normal cost for the Naval Reserve would be $4,562,897. The estimated additional steady state cost would be $2,218,898 per year.

Marine Corps Reserve.

	Fiscal year—			
	1987	1988	1989 (estimate)	1990 (estimate)
Number of personnel	10,065	10,672	10,362	10,259
Total payments (thousands)	$6,200	$5,731	$6,145	$6,043

We have to defer to the Office of the Assistant Secretary of Defense report whose subject is "Report to Congress: Expanding the MGI Bill for Selected Reserve to Include Graduate School and Vocational Training" for part two of your question.

RECRUITING

Question. For the record, would each of you provide the number of recruiters and the dollars expended for recruiting (excluding advertising) for fiscal years 1987 and 1988, and estimated from 1989 through 1991.

Navy Reserve. Funding for recruiting personnel and support costs are contained in both the Reserve Personnel, Navy (RPN) and Operations and Maintenance, Navy Reserve (O&M, NR) appropriations. The chart below shows a breakout of military and civilian personnel and associated funding for fiscal year 1987 to fiscal year 1991. End-Strength is in units, while dollars are in thousands.

	Reserve personnel, Navy (RPN)	
	Military end-strength	Military pay
FY 1987	1,565	$49,019,000
FY 1988	1,521	51,518,000
FY 1989	1,702	56,836,000
FY 1990	1,702	60,065,000
FY 1991	1,702	61,626,000

	Operation and maintenance, Navy Reserve (O&M,NR)			
	Civilian end-strength	Civilian pay	Recruiting support	Total
FY 1987	20	395	11,406	$11,801,000
FY 1988	26	411	10,260	10,671,000
FY 1989	45	440	12,022	12,462,000
FY 1990	45	1,079	11,636	12,715,000
FY 1991	45	1,114	12,103	13,217,000

Marine Corps Reserve. The Marine Corps Reserve accession requirement is an integral part of the Marine Corps recruiting mission under the "Total Force Concept". A recruiter's over-all quota assignment contains a portion of the Reserve quota that must be recruited. In this regard, the O&M,MCR appropriation does provide Recruiting Support funding for this mission:

[Dollar amounts in thousands]

	Fiscal year—				
	1987	1988	1989	1990	1991
Number of recruiters	2,948	2,938	2,940	2,940	2,940
O&M,MC	38,671	41,346	41,589	41,355	42,307
O&M,MCR	3,150	3,778	3,884	4,015	4,061
Total	41,821	45,124	45,473	45,370	46,368

OPERATION AND MAINTENANCE

Question. Admiral Smith, the Navy Reserve fiscal year 1990 Operation and Maintenance request is $984.4 million, which is an increase of less than one percent over fiscal year 1989. Realizing the budget constraints this year, do you believe this level is adequate to support the Navy Reserve in fiscal year 1990?

Navy Reserve. Recognizing that all the rates used for such things as fuel and stock funds fluctuate up and down year to year thus affecting percentage increase or decrease, the fiscal year 1990 funding level is adequate. It will allow the Naval Reserve to continue to support a ship operating tempo of 21 days per quarter. This 21 day operating tempo will accomplish underway training and exercises necessary to maintain the readiness of Naval Reserve ships.

Funding for the Naval Air Reserve will support a primary mission readiness of 87 percent, which is considered the minimum annual training requirement necessary for the safety and proficiency of naval aviators.

The funding will also allow the Naval Reserve to continue with required maintenance and modernization of Naval Reserve ships and equipment, operation of Special Combat and Special Operations Forces and operational support to the Naval Reserve Forces.

Question. What are your high priority unfunded O&M requirements?

Navy Reserve. The fiscal year 1990 President's Budget presents a balanced program which adequately funds the Naval Reserve. However, there are always needs that are not funded due to the limited resources available. Unfunded priority items are:

> Executable Aircraft Depot Maintenance backlog: $31.6 million. The executable backlog forces aircraft into a "non-available" status while awaiting rework. The resulting impact is a reduced number of aircraft available for readiness training, thus causing a degradation in readiness.
>
> Maintenance of Real Property (MRP) backlog: $92.0 million. The MRP backlog represents non-deferrable maintenance and repair work which has an immediate adverse economic impact because deferral causes accelerated deterioration of facilities, which impacts a unit's mission readiness.
>
> Mine Sweepers (MSO) Retirement Deferral program: $19.8 million. Due to delays in delivery of Mine Countermeasure (MCM) ships and subsequent delay in transfer to the Naval Reserve, the older MSOs currently in the Naval Reserve inventory are having their service life extended. The MSO Retirement Deferral program is structured to ensure material readiness of the ships through the end of their service life by identifying critical equipment and systems requiring ship alterations and major maintenance areas requiring corrective actions.

Question. The Marine Corps Reserve Fiscal Year 1990 Operation and Maintenance request is $77.4 million, which is less than fiscal year 1989. Realizing the budget constraints this year, do you believe this level is adequate to support the Marine Corps Reserve in fiscal year 1990?

Marine Corps Reserve. Yes, the fiscal year 1990 Operation and Maintenance budget is adequate.

Question. What are your high priority unfunded O&M requirements?

Marine Corps Reserve. The Navy's CY 1989 program to consolidate Naval Reserve units has resulted in the Marine Corps Reserve assuming plant account responsibilities and leases of facilities which were previously joint funded. These additional requirements will result in a funding deficiency.

EQUIPMENT

Question. How much is requested in the fiscal year 1990 budget for procurement of equipment and what percentage of the shortfall will this alleviate?

Navy Reserve. The Fiscal Year 1990 budget contains $59.2 million for the procurement and modification of equipment for the Naval Reserve. This will alleviate approximately 72 percent of the total FY 1990 Naval Reserve equipment requirements identified in the POM.

Marine Corps Reserve. Marine Corps Procurement funds in the amount of $28.1 million, have been allocated for the Reserve component in FY 1990. This will reduce all but 17 percent of our current Table of Equipment (T/E) shortfall.

Question. What are your high priority unfunded procurement items?

Navy Reserve. The FY 1990 President's Budget presents a balanced program within the funds available. However, there are always needs which lack funding in an environment of limited resources. The unfunded priorities are:

In the ASW area, we must complete the upgrade of 18 (6/year) Reserve SH-2F helicopters to the SH-2G configuration, plus spares and ILS program support.

This interfaces directly with the AN/SQQ-89 equipment that Navy is paying to put on the FFG-7 class frigates, and provides a fourfold increase in ASW effectiveness over SH-2F aircraft.

EA-6B PROWLER aircraft—Procure 12 (4/year) new EA-6B aircraft to improve Naval Reserve EW capability. This is vital to the modernization and horizontal integration of both Reserve carrier air wings, and provides four times the ECM jamming power of the obsolete EA-6A aircraft.

In the logistics airlift area, we have a validated need for 22 additional C-130 type aircraft. If these aircraft were to be provided to the Naval Reserve, there is also a significant support, full-time support, and construction tail that has not yet been programmed or budgeted.

Additionally, there are several minor items, such as modifications to our Reserve aircraft and filling allowances deficiencies for our Reserve Seabees and Reserve Cargo Handling Battalions that remains unfunded in the procurement appropriations.

Marine Corps Reserve. Our ground equipment unfunded procurement items include such things as the Tactical Air Operations Module (TAOM), unit level communications items, all types of forklifts, unit level tactical data and circuit switches and subsystems of the Tactical Fuel Dispensing Systems (TAFDS).

Question. Do you feel your component receives its fair share of the active component equipment commensurate with the deployability of the unit?

Navy Reserve. Yes, the Naval Reserve receives its fair share of active component equipment commensurate with the deployability of the unit involved. For the Naval Reserve, this applies principally to the ship and aircraft squadron commissioned units who have the greatest equipment requirements. As a consequence of the Navy's Horizontal Integration policy, in which Naval Reserve units are equipped with the same equipment and in equal proportion with those of the active component, integration of modern equipment into the Naval Reserve is not a problem. It should also be noted that the Naval Reserve has many units of trained and qualified personnel who augment active component activities. These units have no equipment requirements themselves because any equipment required is already assigned to the gaining command. These units may deploy before others with organic equipment, depending upon the needs of the service at the time. Deployability readiness is not necessarily linked to equipage levels in all Naval Reserve units.

Marine Corps Reserve. The policy of "first to fight, first to equip" is in consonance with our single acquisition objective and horizontal fielding programs. the Marine Corps Reserve requirements are identified concurrently with the Active component and fielded accordingly. This policy has allowed for the timely introduction of items to the Marine Corps Reserve inventory and more specifically earmarks those augmenting/reinforcement units requiring this equipment first.

Question. According to the P-1R, the fiscal year 1990 budget includes $28.1 million for procurement of equipment for the Marine Corps Reserve. This represents only 2.3 percent of the Marine Corps Procurement budget. Why does procurement for the Reserve component have such a low priority?

Marine Corps Reserve. Acquisition of equipment in support of the Reserve component is, and will continue to be, a high priority in our procurement strategy. All Marine Corps acquisitions are programmed and procured as a single process, with concurrent fielding to the Active and Reserve forces. The Reserve percentage of the procurement budget largely reflects both the reality of fiscal constraints as well as the fulfillment of many needed requirements over the past five years.

Question. The Marine Corps Reserve is being changed to become a heavier force, leaving the Active component as a lighter and more deployable element. Where is the Marine Corps Reserve getting the equipment necessary to carry out these new reponsibilities?

Marine Corps Reserve. The transfer of specific missions from the Active component to the Reserve component is a transition which is programmed over the next 4 years. Equipment from those Active units making the transition will be shipped to specific Reserve units taking on these added missions.

AIRLIFT REQUIREMENTS

Question. I am sure the Navy has studied its organic airlift requirements. I seem to recall the Center for Naval Analysis addressing that issue recently. What shortfalls were identified, if any?

Navy Reserve. The shortfalls are:

4 CT-39 type small lift jet passenger/small cargo aircraft.
29 C-20 type medium lift jet passenger/cargo aircraft.
21 C-9B type large lift jet passenger/cargo aircraft.
22 C-130 type large lift turboprop passenger/cargo aircraft.

Question. What steps have been taken to address these shortfalls?

Navy Reserve. POM (Program Objective Memorandum) issues have been submitted identifying these shortfalls; however, they have not survived the POM budget process due to higher priority Department of Navy requirements.

Question. Of those areas identified, were any categories considered especially critical?

Navy Reserve. Yes, the shortage of medium/heavy lift aircraft was identified as critical in the CNA study. We concur with that CNA finding.

Question. How did the study categorize medium lift and heavy lift aircraft?

Navy Reserve. C-130 and C-9B type aircraft are considered as surrogates for a wide range of commercial and military aircraft with the potential to satisfy the heavy lift requirement of Department of Navy organic airlift. The C-20 is representative of the various aircraft available to fulfill medium lift Department of Navy requirements.

Question. In view of the CNA study of Navy organic airlift, have you considered replacement of the C-131H aircraft based at Naval Air Facility Washington?

Navy Reserve. Yes, but we have no aircraft to replace them with at this time.

Question. What is the authorized strength of that unit, I believe it is VR-48?

Navy Reserve. The current Primary Aircraft Authorized (PAA) at VR-48 is two aircraft.

Question. Does that C-131H fall in the CNA study category of medium airlift, or would it be termed heavy airlift?

Navy Reserve. The C-131H is not addressed directly in the CNA study; however, it is categorized as a medium lift aircraft by the Department of the Navy.

Question. Inasmuch as the CNA study concluded that a C-20 type aircraft could satisfy your medium airlift shortfall, and a C-20 logistics support base is well established at Andrews, would there be any merit in considering the C-20 as a candidate to replace the C-131H?

Navy Reserve. They are both medium airlift aircraft and I would have to respond yes to that. I would add, however, that if we were going to do that, I would want to see aircraft that have a cargo capability in addition to the passenger capability. That would broaden the flexibility and use of those aircraft and make them much more valuable to us in wartime.

SQQ-T1 LAMPS MK-I ASW TRAINING SYSTEM

question. We, in the Congress, recognize the limited training opportunities that naval reservists have during their weekend drills. For this reason we supported the procurement of the SQQ-T1 LAMPS MK-I ASW training system. Do you concur with this program and will you support continued acquisition of this onboard training system? Additionally, recognizing the importance of the ASW mission and the contribution that training offers to mission success, isn't the SQQ-T1 onboard training system a good idea?

Navy Reserve. I hope it is but I believe that we should evaluate the initial three systems before proceeding with additional purchases. Three SQQ-T1 LAMPS MK-I ASW training systems will be delivered to Naval Reserve Force frigates this fiscal year.

Question. Relative to the cost of other onboard or pierside training systems, doesn't the SQQ-T1 LAMPS MK-I ASW training system represent an opportunity that the naval reserve needs in order to remain proficient to perform the ASW mission?

Navy Reserve. The Navy concurs with the premise that an onboard trainer would be beneficial. The Warfighting Improvement Plan (WIP) for FF-1052 class frigates calls for the equivalent of the AN/SQQ-89 onboard trainer which would integrate with the various ASW systems of the ship, including the TACNAV data link from the LAMPS MK-I upgrade (SH-2G). Estimated cost of this trainer is $2 million with availability expected in FY 1992. The FF-1052 WIP, which applies to both active and NRF frigates, is contingent upon future budget deliberations. If approved, the SQQ-89 onboard trainer would be the preferred system.

Question. Shouldn't all reserve platforms that possess a LAMPS MK-I ASW system also possess an embeded training device to support operator proficiency training?

Navy Reserve. Yes. An onboard ASW training system is essential to maintain crew proficiency in this key warfare mission area. This is particularly of value for NRF frigates where minimal sea time can be translated into valuable inport training for both the active and Selected Reserve members of the crew.

IMPROVED PROCESSOR AND DISPLAY SYSTEM (IPADS)

Question. Why does the Update III system for the P-3C, which only monitors 16 sonobuoys cost twice as much as the IPADS system which was the capability to monitor 32 buoys?

Navy Reserve. CHEX (Channel Expansion) equipped P-3C Update III aircraft can monitor 32 sonobuoys, the same as IPADS. It would be purely speculative to compare costs before IPADS is prototyped, flight tested and put under contract. The P-3C Update III is operational today. IPADS would not be operational until at least FY 1992, assuming no unforeseen problems.

Question. Please provide your position on the IPADS system and a comparative analysis on how the IPADS system compares to the current Update III currently used by the active duty fleet?

Navy Reserve. DON/DOD do not support IPADS for the following reasons:

Cost to upgrade P-3B force is $397.3 million, (estimated).

The first aircraft will reach end of service life two years after IPADS reaches its initial operational capability (IOC).

IPADS is not compatible with forward based P-3 sites.

It is unique to the Naval Reserve, complicating logistics support and training requirements.

CNO (OP-095) has concurred with a plan that will modernize the Naval Air Reserve MPA force by 2000 by providing P-3C Update IIIs, Update IVs and P-7As should be P-7A program remain fully funded. This plan is cost effective, obviates the need for IPADS and is consistent with SECNAVs policy of "Horizontal Integration". I support this plan.

Question. How does the Navy intend to utilize the $55 million provided in FY 1989?

Navy Reserve. The $55 million will be used to upgrade the sonobuoy receiving systems, radar and radar indicator systems of the P-3Bs. The investment will be protected by purchasing systems which are fleet compatible and fleet supportable. The new equipment will be removed from the aircraft as they are retired and transferred to the replacement aircraft.

Question. Since IPADS will provide all Reserve aircraft with a capability to monitor ERAPS, TSS and other developing sonobuoy systems, is there any alternative to IPADS for the older Reserve aircraft?

Navy Reserve. Yes. Since the major problems with our MPA force are an inventory shortage and age of Naval Reserve aircraft, the best and most cost effective long/term solution is to support the Navy's LRAACA program including the horizontal integration of new aircraft into the Naval Reserve.

[Clerk's note.—End of Committee questions for the record.]

Mr. **Murtha.** Gentlemen, thank you very much. The Committee will stand adjourned until 1:30 today.

TUESDAY, APRIL 25, 1989.

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

JOINT DOD/DOE MUNITIONS TECHNOLOGY DEVELOPMENT PROGRAM

WITNESS

HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

INTRODUCTION

Mr. MURTHA. The committee will come to order.

Today we will hear public witnesses and we have several members who are going to testify this morning.

However, because of the number of people, we are going to limit the time and follow the five-minute rule strictly.

Yesterday I was down to watch the ceremony for the Battleship IOWA and, of course, it shows the importance of what we are dealing with, the problems that we face, and the awesome responsibility we have in defense.

So I appreciate all of you taking the time to come before the committee.

The first witness today is Mr. Bill Richardson, a member of Congress. We are limiting everybody to five minutes, Bill. We appreciate you taking the time to come before the committee.

Mr. RICHARDSON. I will be briefer than five minutes. I ask unanimous consent to insert my statement in the record.

Mr. MURTHA. Without objection.

STATEMENT OF CONGRESSMAN RICHARDSON

Mr. RICHARDSON. Thank you, Mr. Chairman and members of the subcommittee for the opportunity to testify on a project of the utmost importance to our national defense.

The defense of the United States relies on technological superiority to offset the significant numerical advantage of Soviet systems.

While we believe we are maintaining parity in nuclear capability, it is clear that we no longer have that edge in conventional capability.

This is why the Department of Defense and the Department of Energy established a Memorandum of Understanding in 1985 for a five-year program known as the Joint DOD/DOE Munitions Technology Development program.

As agreed in the MOU, the DOE matches the DOD funding of up to $15 million per year from the core nuclear weapons funding budget.

The combined funding is then split between the three DOE nuclear weapons laboratories: Los Alamos, Sandia and Lawrence Livermore National Laboratories.

I respectfully request that the committee increase the fiscal year 1990 DOD appropriation for the Joint DOD/DOE Munitions Technology Development program to $25 million.

This funding level would not only sustain ongoing technical work, but also support new initiatives.

The program has the strong support of the DOD Office of Munitions and the Deputy Under Secretary of Defense for Research and Engineering.

Thank you for the opportunity to testify before your committee. Your consideration of these requests are greatly appreciated.

As the chairman may know, the Los Alamos National Laboratory is in my congressional district and a lot of Sandia National Laboratory employees live in my district, and my state has a long tradition in nuclear and conventional weapons.

Besides the fact that I would like to see this in the national interest, this is obviously a project important to my state.

Mr. MURTHA. We will look at it and do the best we can, Bill. Thank you.

[The statement of Mr. Richardson follows:]

CONGRESSMAN BILL RICHARDSON
STATEMENT BEFORE THE
SUBCOMMITTEE ON DEFENSE APPROPRIATIONS
April 25, 1989

Thank you, Mr. Chairman, and members of the Subcommittee, for the opportunity to testify on a project of the utmost importance to our national defense.

The defense of the United States relies on technological superiority to offset the significant numerical advantage of Soviet systems. While we believe we are maintaining parity in nuclear capability, it is clear that we no longer have that edge in conventional capability. The Soviets continue to field conventional systems in greater numbers than our own, and they now incorporate more modern technology than our own. Tanks with reactive armor and new high-performance anti-tank guided missiles are specific examples. The difficulty of achieving parity is exacerbated by the high cost of developing more sophisticated technology.

This is why the Department of Defense and the Department of Energy established a memorandum of understanding (MOU) in 1985 for a five-year program known as the Joint DOD/DOE Munitions Technology Development Program. It is a cooperative, jointly funded effort of research and development to exploit the extensive technology base and unique facilities of the DOE nuclear weapons laboratories relevant to conventional munitions. The program is a line item in the defense department budget. As agreed in the MOU, the DOE matches the DOD funding of up to $15 million per year from the core nuclear weapons funding budget. The combined funding is then split between the three DOE nuclear weapons laboratories: Los Alamos, Sandia and Lawrence Livermore National Laboratories.

Significant gains have been made by this program in conventional weapons technology in the areas of anti-armor materials; new, safer explosives and safer propellants; advanced and hardened fusing; high-power microwave weapons; and low-cost guidance controls. In particular, Los Alamos has developed a new alloy for anti-tank bullets that is stronger and significantly less costly than the current metal. Los Alamos has also produced two new low-cost explosives that provide safety against accidental explosion. The program also returns benefits to the DOE laboratories in their nuclear weapons mission. For example, computer software and new explosive materials developed for one program can be used in the other.

When the MOU was established, the DOD and DOE were each to contribute $15 million annually. The five-year plan also provided for inflation in the outyears. Yet the FY90 DOD budget request is less than $9 million. This budget cut puts many components of the program in jeopardy. Furthermore, the concept of having the DOE laboratories contribute to the nation's conventional defense technology base will be dealt a devastating setback.

I respectfully request that the Committee increase the FY90 DOD appropriation for the Joint DOD/DOE Munitions Technology Development Program to $25 million. This funding level would not only sustain ongoing technical work but also support new initiatives. The program has the strong support of the DOD Office of Munitions and the Deputy Under Secretary of Defense for Research and Engineering.

Thank you for the opportunity to testify before your committee. Your consideration of these requests are greatly appreciated.

TUESDAY, APRIL 25, 1989.

RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

WITNESS

MAJ. GEN. EVAN L. HULTMAN, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

INTRODUCTION

Mr. MURTHA. The next witness we will hear is General Hultman of the Reserve Officers Association.

STATEMENT OF GENERAL HULTMAN

General HULTMAN. Good morning, Mr. Chairman.

At the outset, let me thank you and the Members of the Committee on behalf of all of the men and women of the Reserve Officers Association for the constant attention which you personally and the Members of your Committee give to the matters that are being considered here today.

I would like to deal with a concept and then an illustration from each of the three services.

I will meet the time commitment because of the important other witnesses you have.

RESERVE FORCES READINESS

It seems to us without any question that we can draw a conclusion in this time and age because of the political drivings that are going on and the budget requirement problems, that the bottom line is that the Reserve forces are going to have to continue to not only share that part of the burden which has been theirs, but even more.

In light of that, it seems to us that if the budget and political pressures are allowed to drive the force and the mission changes that are going to follow on, that we could end up with some very disastrous consequences bottom line for the total force.

This morning I would like to indicate that we feel that there has to be a very careful analysis and planning for readiness, and this doesn't mean just for this particular budget period, but for the longer haul here, or in this moment of great opportunity, we could have some very serious consequences.

Let me deal with one from each service.

ANTI-SUBMARINE WARFARE

I will begin with the Navy. I understand that the Secretary of Defense at this time in his fiscal year 1990 DOD budget will include a proposal to drastically reduce the naval present land-based anti-submarine warfare capability.

The plan is to drop all P-3As—that is approximately 31—and approximately 40 P-3Bs from the Navy's inventory to make the active force in this mix all of the P-3Cs, and make the reserve force all the P-3Bs.

Now, we conclude that this is fatally flawed for three reasons.

When the Soviet submarine threat is increasing without question, and if you look at what glasnost is all about, this is the bottom line as far as submarine warfare and threat is concerned.

Secondly, there is a very small savings involved when you look at it, but more importantly, even the bottom line, it runs counter to the established Navy horizontal integration policy which is the real basis of what this force mix has to be.

COMMAND AND CONTROL

Let me go to the Army for a moment, to the Army Reserve, not to my good friend who is going to address you in a little while, and the Guard.

Your predecessor in a letter, as you are well aware, in December of this past year charged the Army with looking at the Army Reserve command and control.

It was for a very obvious reason, because in the case of the Army Reserve, they have not been in compliance.

I say this here without any equivocation, because we have not been in compliance with the directives of the Congress and the public law which was passed and the things that have followed on.

By that, I don't want to denigrate the great strides that have been made with the total Army because they have been fantastic.

We have made a giant leap forward, but we are where we must get in conformity, not because as a matter of law, but as a matter of good judgment and of sound planning at this time when this force mix is going to have these serious considerations.

I think the events that have happened, such as Capstone, which has brought the Army Reserve and Guard in a total sense into wartime planning and into a wartime chain of command, et cetera, that it is clearly the logical process to follow in the case of the Army Reserve, the same as it has followed in accordance with the public law with reference to the Air Force and to the Navy.

Mr. MURTHA. We appreciate what you are saying and you know how this committee has supported the Reserve forces, General.

We will put your entire statement in the record and we appreciate you taking the time to testify today.

REDUCTION IN AIR FORCE AIRCRAFT

General HULTMAN. One line on the Air Force, and the same thing is happening despite the demonstrated compatibility and readiness of the Air Force Reserve. We find the Air Force proposing to reduce aircraft and aircraft positions in the Reserve.

As we pointed out last year, the proposed savings will not begin to equate the loss of investments in pilots, which we surely need and which in this force mix have not come from the Reserve in this day and age.

Thank you very much for giving us this opportunity again and for your continued support.

Mr. MURTHA. Thank you, General.

[The statement of General Hultman follows:]

Statement of

Major General Evan L. Hultman, AUS (Ret.)

Executive Director

Reserve Officers Association of the United States

to the

Subcommittee on Defense

House Appropriations Committee

Concerning FY90 Defense Appropriations

25 April 1989

Reserve Officers Association of the United States

National Headquarters • 1 Constitution Avenue, N.E.
Washington, D.C. 20002
202/479-2200

Statement of Major General Evan L. Hultman, AUS (Ret.), Executive Director, Reserve Officers Association of the United States for the House Appropriations Subcommittee on Defense concerning FY90 Defense Appropriations--25 April 1989.

Mr. Chairman and Members of the Committee:

On behalf of the many men and women from all of the uniformed services who are members of the Reserve Officers Association (ROA), I appreciate having this opportunity to address the FY90 Department of Defense appropriations pertaining to the readiness of the Reserve forces.

Reserve forces generally are more cost effective than active forces when the Reserve forces are properly managed, equipped and trained. Reservists have repeatedly demonstrated that they can do the job. In the past years, the Reserve Officers Association has encouraged the Congress to satisfy the personnel needs and to provide better and more modern equipment to the Reserve Components as an economical way to maintain the readiness of the armed forces in an uncertain world.

The initiatives by Soviet President Mikhail Gorbachev to reduce conventional forces in Europe and the appearances of change within the Eastern Block countries have given rise to the perception that we live in a safer world. The perceived diminished threat reinforces the call to reduce the U.S. military presence and commitments in Europe and elsewhere. The perceptions and pressure to draw down forces provide fuel and rationale for large cuts in defense spending to lower the budget deficit. The shifting of missions from the active to the Reserve Components is being touted as the way to reduce defense spending.

A greater reliance on the Reserve Components has merit. In a bipartisan report for the America Agenda project of former Presidents Carter and Ford, the National Security Adviser, Lieutenant General Brent Scowcroft and former Undersecretary of the Navy, James Woolsey, advocate a greater role for the Guard and Reserve. More recently the former Secretary of Navy John Lehman makes a case for shifting significant force structure to the Reserve, and the idea is being advanced by others--in the Congress, the press and elsewhere. The Reserve Officers Association supports a greater reliance on the Reserve but warns that the Department of Defense cannot proceed without clear purpose and direction.

The budgetary and political climate demands that the Department of Defense carefully consider the active and Reserve force mix and develop contingency plans for the phased transfer of missions and structure from the active to the Reserve Components. If budget and political pressures are allowed to drive force and mission changes without careful analysis and planning, readiness will unnecessarily be degraded and resources will be wasted.

ROA urges this committee to direct DoD to undertake a force mix study and develop total force plans to meet our defense needs in the 1990s. "Smart" mission transfers should be made, but they will require an analytical, forward look.

Whether driven by the budget, world perceptions or analytical studies, it seems inevitable that there will be a continued mission/structure shift from the active to the Reserve forces.

Traditionally, force structure is transferred to the less expensive Reserve Components to preserve it for future contingencies. The saving is made by placing it in the Reserve. However, mission transfers are not always accompanied by essential manpower required to effectively manage force growth, the equipment necessary to assume maintenance of combat capability, nor the funding needed to train the force to required readiness levels. If, having served as the vehicle for attaining a cheaper force structure, subsequent budget and manpower cuts are applied equally to the Reserve and the active forces, combat capability and readiness must suffer.

In his 9 February budget message, President Bush projected Defense Department outlays of $291.2 billion in FY90 and $298.8 billion in FY91, $2.6 billion and $5.9 billion less, respectively, than President Reagan had projected for those years. In the budget agreement announced 14 April congressional and administrative negotiators agreed to an additional $1.7

billion cut. Because the administration has yet to provide budget details, we are unable to anticipate just what budget priorities might be. History suggests that the Reserve Components will not be spared and may suffer greater reductions than will the active forces.

ROA wishes to thank the Congress for personnel programs improvements and for the significant gains made in modernizing the equipment of the Reserve forces during recent years. To a great extent, this has been initiated by Congress, not Pentagon budget requests.

Before addressing the needs of the respective services, I would emphasize, in these days of shrinking budgets, the importance of keeping our "powder dry". ROA recognizes that the world is not static and welcomes some apparent changes in the Soviet Union and East Bloc countries and the lessening of tensions. However, ROA reminds the Congress that we have yet to see the fruits of Mr. Gorbachev's initiatives. ROA encourages the Congress to pursue peace through strength until we can determine whether that which is perceived is strategic change, rather than tactical retreat.

ARMY RESERVE

The United States Army Reserve (USAR) needs this committees' help in several areas if it is to continue to improve its go-to-war capability/readiness as an essential element of the Total Army. The USAR has, with your assistance, become the best Army Reserve this nation has ever had. As you well know, today's USAR with increased missions and heightened mobilization readiness employs and deploys in many cases prior to units of the active component. It appears, however, that an ironic turn of events has been born out of its success. The original and continuing fact is that the Reserve Components are inherently less expensive to operate than their counterparts on active duty. Studies of cost savings range from up to 47 percent down to 25 percent. Yet the Army Reserve has taken inappropriate cuts in the President's budget when compared to the rest of the Army. In the past, Congress, in its wisdom, has countered the budget presentations with vital programs such as Dedicated Procurement for Army Reserve equipment, Operation and Maintenance Army Reserve (OMAR), Reserve Component Automation System (RCAS) and Military Construction Army Reserve (MCAR) add ons. We know that this committee understands the exceptional value of the Army Reserve and will continue to provide the kinds of appropriation support required to allow the USAR to maximize its cost effectiveness while continuing to improve its readiness.

We strongly recommend that this committee support a vital change needed in the present expensive, dysfunctional command and control structure of the Army Reserve--a change that will greatly reduce administrative overhead, remove bureaucratic layering and ensure that every appropriated dollar possible reaches the soldiers who require it for training and equipment. Since the passage of PL 90-168, Congress has continually questioned the Army on why the Chief Army Reserve is not dual hatted as is the commander of his component in the Air Force and Navy. The Army must make this change happen. As the executive director of a joint service organization, I constantly observe all the services and their Reserve Components, and I must state for the record that the Army is the most cumbersome. The time is right to bring all of our Reserve Components into peacetime alignment and into compliance with the intent of PL 90-168--we can no longer afford not to.

The Army Reserve's request for a modest growth in full-time support, both AGR and Army Reserve technicians, is an important readiness enhancement that the committee should approve. These individuals are desperately needed in order to field new Army Reserve aviation and combat service support unit activations as well as to staff critical doctor and nurse recruiter positions. It has been the presence of full-time support personnel and, in particular, the AGR that has brought the Army Reserve to a state of readiness that enables it to take on missions along side the active component in support of ground force contingency plans.

We believe that the Chief Army Reserve's budget request accurately reflects what the Army and DOD want to present to

Congress. We do not believe, however, that it reflects the totality of the minimum essential resources that the USAR needs to properly accomplish its mission. The appropriation that most glaringly illustrates this point is Operations and Maintenance, Army Reserve (OMAR). Critical items that are now "unfunded" include:

* $30.5M	To reduce the $2.3B backlog of maintenance and repair (BMAR)
* $10.0M	To reduce the Organizational Clothing and Equipment (OCE) backlog by 10 percent.
* $10.0M	To replace funding diverted from the Supplies and Equipment account to pay for additional 397 Military Technicians being hired in FY89.
* $ 6.0M	To fund the Scholarship Training for Army Reserve (STAR) medical training program utilizing civilian schools near soldiers' homes rather than military schools (Funds 1000 students).
* $ 5.6M	To fund leasing of space for Army Reserve Centers to accommodate unit activation and/or unit relocations.

Mr. Chairman, there is another issue that needs the support of this committee to give the Army Reserve capability to properly provide general officer leadership to a structure that has greatly expanded over the last 35 years. Legislative changes to update Title 10 U.S. Code should include three areas:

* An appropriate increase in the authorized number of Reserve Component general officers (Section 3218, USC 10) to a level commensurate with the expanded RC mission of 1990 and beyond.

* Relief of the requirement for a Reserve Component general officer candidate to be assigned to a Reserve Component general officer position prior to being nominated for promotion.

* Removal of all Reserve Component general officers temporarily on active status working directly with their component from the active component authorized general officer strength.

The US Army Reserve is a dynamic, integral and essential part of today's Total Army. These citizen soldiers--who are our sons and daughters, relatives, neighbors and friends--deserve their nation's support. A healthy Army Reserve pays enormous benefits to our great country; benefits that yield a tremendous amount of deterrence for a most reasonable cost.

AIR FORCE RESERVE

We are proud that the Air Force Reserve is combat ready and supplied with modern equipment and well-trained, motivated personnel. This past year, the AFR has once again demonstrated its readiness and the excellence of its personnel.

In the highly competitive SAC Bombing and Navigation Competition, a Reserve crew was selected as the "Best KC-10 Crew". This 452nd Air Refueling Wing crew from March AFB, California, amassed a score of 98.55, out of a possible 100 points.

An example of the capability of Reservists to respond rapidly to real world contingencies is the AFR's C-141 Unit at Andrews AFB, Maryland. Last March, a Reserve crew from the 459th Military Airlift Wing responded to an urgent request to support the deployment of the 82nd Airborne Division into Honduras. They flew the first aircraft into Palmerola Air Base, Honduras in support of the no-notice JCS Exercise "GOLDEN PHEASANT".

Despite the demonstrated combat capability and readiness of the AFR, the Air Force continues to "double-dip" the AFR in response to severe pressure to reduce the Air Force budget. Notwithstanding the significant savings made when force structure is transferred to the Reserve Components, the Air Force continues to propose additional so-called "fair share" across-the-board cuts to AFR and active force structures and appropriations.

Once again, the Air Force proposes to reduce aircraft and aircrew positions in the Air Reserve forces. As we pointed out last year, the proposed savings will not begin to equal the loss of investment in six million dollar pilots who will be lost to the total force. In view of the continued hemorrhage of pilots from active duty, the argument that there should be more pilot slots in the Air Reserve Forces, not less, is compelling. We propose that the Air Force "robust" existing units with more aircraft rather than less. This option increases Reserve pilot positions, unit combat capability, and cost-effectiveness without any increase in overhead.

The following table summarizes the proposed cuts in Air Force Reserve structure and the cost of restoring them in the FY90 budget. ROA urges the committee to once again make this adjustment as it did in the FY89 appropriations:

Air Force Reserve

FY 1990 Force Structure Restoration

				($ K)		
Aircraft	**Location**	**Drill Strength**	**Civilian Strength**	O&M, USAFR (3740)	RP,AF (3700)	AP,AF (3010)
4 C-130B	Peterson AFB, CO	118	32	2,979	936	1,167
1 AC-130A	Duke Field, FL	70	17	1,557	629	411
1 HH-3H	Homestead AFB, FL	14	5	457	145	98
8 F-16A/B	Tinker AFB, OK	150	22	2,297	935	3,073
1 HC-130H	Portland IAP,OR	37	10	894	315	323
Total		389	86	$8,184	$2,960	$5,072

In addition to maintaining the existing force structure, modernization of equipment is still a high priority for the AFR. The procurement of MH-60G helicopters for the AFR, began by the

Congress last year, remains as the number one equipment requirement. Sixteen MH-60G aircraft are needed to replace the remaining aged H-3 helicopters in the AFR. We recommend that the Committee add the necessary funds to procure these sixteen aircraft in FY90.

Another initiative addressed by the Congress in previous years is the critical need for defensive systems to protect the AFR's tactical fighters and airlift aircraft. Without these systems, tactical aircraft cannot survive in the high-threat environments in which they will have to operate. Despite the add-on funds for miscellaneous equipment previously provided by the Congress, many requirements are still unmet. ROA recommends that $35 million be added to the FY90 budget for defensive systems for AFR tactical aircraft.

The modernization of the C-130 fleet in the AFR, initiated by the Congress, has been an outstanding success. Because the 757th Tactical Airlift Squadron at Youngstown, Ohio, received only six C-130H aircraft in last year's procurement, two more are needed this year to complete the replacement of old C-130's in that unit. We recommend that the Committee continue to support the C-130 modernization program.

Combat capability depends as much upon Reserve personnel, full-time support personnel, and Operations and Maintenance (O & M) accounts as upon modern equipment. AFR O & M accounts show significant reductions in the FY90 budget request, the only Air

Force component to do so. We urge the Committee to address the shortfall and to favorably consider the need for an additional 188 Air Reserve Technicians to improve medical and combat support unit readiness at a cost of only $5.7 million.

In summary, with your continued understanding and support, the Air Force Reserve will continue to provide a superb, cost-effective, combat ready fighting force. Exercises and real world contingencies have proved that all AFR units can mobilize in 24 hours and deploy within 72 hours. The AFR is ready, better and stronger than ever before; we ask that you provide the resources to keep it that way.

NAVY & MARINE CORPS RESERVE

ROA supports fully the position of the Chief of Naval Operations that a Navy of at least 15 deployable Carrier Battle Groups, four Battleship Battle groups, 100 Attack Submarines, Amphibious Lift for a Marine Expeditionary Force and a Marine Expeditionary Brigade, plus sufficient Strategic Submarines, Support Ships, and Strategic Sealift is required to meet effectively today's worldwide commitments and wartime scenarios.

If it is determined we can not afford, in a fiscal sense, a Navy of the size outlined by Admiral Trost, then we must also acknowledge that a smaller force mandates that the Navy and Marine Corps team have a smaller operational commitment. The prospect of a "come-as-you-are" war or short fused contingency operation mandates that the forces available be fully ready.

A smaller force stretched to meet the deployment schedule associated with the Navy's global responsibilities of today will lead to a return of the sharp degradation of readiness that was the hallmark of the seventies. Our nation can not afford to again experience that bitter lesson.

FORCE MIX

Last year, planners within the Pentagon were considering seriously the imminent transfer of 16 Brooke and Garcia class frigates from the active force to the Naval Reserve as an alternative to the planned decommissioning of these ships to meet fiscal and manpower ceilings. ROA testified in opposition to this action on the basis that such a transfer would be grossly impractical. Fortunately, wiser heads prevailed and the ships were decommissioned.

Such a flurry of planning activity must not be the way issues of force size and force mix are resolved. ROA has strongly recommended that the force size/force mix issue be addressed fully and promptly.

ROA assumes that reductions in the active force structure are a "given." The questions associated with this premise which must be answered include:

Which peacetime commitments or mission capabilities will we reduce and to what degree?

How will these changes be phased over time?

How much of these mission capabilities can we prudently plan to do without?

What new or expanded mission capabilities will be transferred to the Reserve forces?

ROA is concerned that some will see the transfer of forces or mission responsibility to the Reserve components as the easy and universal panacea.

Nothing could be further from the truth.

There are limitations on the number of Reserve personnel available to man new or expanded mission areas and limitations on the availability of Reservists to perform required additional training or to meet operational requirements of their parent services short of war or national emergency.

It is interesting to note that the Navy, in its most recent report to the Congress on its Total Force, expresses a belief that existing Presidential authority to call Selected Reservists, when required for non-mobilization contingencies, should be used to meet operational requirements. The Navy has also called for planners to "consider the level of risk inherent in force mix decisions resulting in all, or nearly all, of a specific Navy capability being assigned to the Naval Reserve."

The Navy has taken its own caution to heart. The new construction Avenger class Mine Countermeasures ship mix will now be five active force, nine Naval Reserve instead of the original plan to place all 14 ships in the Naval Reserve.

FORCE MODERNIZATION

Today's Guard and Reserve is much more capable and more ready than at the beginning of this decade. However, more needs to be done to equip, modernize and train the existing Reserve force. Additional, not less, funding is required for the Reserve Forces.

For example, Naval Reserve frigates are at a high state of readiness, but their capability to accomplish their Anti-Submarine Warfare mission is becoming less as Soviet submarines become quieter and more difficult to locate.

In recognition of this situation, ROA adopted a resolution at our recent Mid-Winter Conference which urges Congress to authorize and fund the upgrade of all FFG-7 and FF-1052 ships with AN/SQQ 89 ASW Combat Systems and SQR 18A towed arrays, as required, and to authorize and fund the ongoing block upgrade program for the LAMPS MKI helicopters.

Although modernization of these ships and helicopters will provide a significant ASW capability improvement at a relatively modest cost, the helicopter upgrade program is not funded in the President's budget and the ship modernization program shows signs of slipping in the out years.

The block upgrade program to enhance Naval Reserve SH-2F helicopters to a "G" configuration requires the addition of $45 million a year over the budget request to sustain this highly cost effective program initiated by Congress in 1987. $45 million will fund conversion of six aircraft per year with the new T 700 engine, which permits a significant increase in range and on-station time, plus an avionics package nearly identical to the SH-60F and an on-board acoustic processor and data link.

This configuration is the result of a Navy study, mandated by Congress, to find the best ASW solution for the ships, such as the Naval Reserve frigates, that would not accommodate LAMPS MK3 SH60 helicopters.

The Navy has a critical shortfall in organic inter theatre airlift capability. The Center for Naval Analysis (CNA) Navy

Organic Airlift Study documented a requirement for additional logistic aircraft to support wartime fleet operations including 19 C-130's and 29 C-20's.

Virtually, all of the Navy's airlift is operated by the Naval Reserve. These aircraft support Navy peacetime and contingency operations while training for mobilization. In fact, Naval Reserve C-9 aircraft, during an average week in 1987, airlifted 7,700 passengers and 240 thousand pounds of cargo, but was limited to fulfilling only 60 percent of peacetime requirements because of its shortage of aircraft.

In recognition of these facts, ROA is recommending that the Congress authorize and fund a multiyear plan to address this equipment shortfall. ROA recommends procurement of 4 C-130H aircraft in FY90 ($87M plus $3M in initial spares) and four more in FY91 plus the procurement of 2 C-20F aircraft to replace the obsolescent 35 year old C-131H aircraft located at Andrews AFB ($49.6 M) plus the procurement of a third C-20F in FY91 to complete the modernization of the Andrews squadron.

In a like manner, the Marine Corps Reserve needs congressional action to add funding for the procurement of two KC-130T aircraft in FY90 ($50 M) and FY91 (53 M), plus $5M for spares each year. These aircraft are part of the last six KC-130T's needed to complete the squadron at Stewart Air Base N.Y. and, thereby, provide the Marine Corps with a capability to perform the essential missions of refueling long-range fighters or low-level, low-speed helicopters.

The Marine Corps Reserve also needs AH-1W Cobra helicopters to replace 20 year old AH-1J model aircraft and AV-8B Harriers to replace A-4 light attack aircraft.

FORCE MANNING

A key element in the effectiveness of any military unit is the personnel. Is the unit fully manned? Are the assigned personnel trained and ready to perform?

ROA strongly supports the small growth in Selected Reserve personnel requested for the Naval and Marine Corps Reserve reflected in the table below:

SELECTED RESERVE END STRENGTH

NAVY

	FY89	FY90	CHANGE
DRILLING	130,609	130,880	+271
FULL TIME SUPPORT	21,991	22,320	+329
TOTAL SELRES	152,600	153,200	+600

MARINE CORPS

	FY89	FY90	CHANGE
DRILLING	41,655	41,699	+44
FULL TIME SUPPORT	1,945	2,301	+356
TOTAL SELRES	43,600	44,000	+400

The proposed growth in Full Time Support (FTS) personnel is particularly important. Both the Naval and Marine Corps Reserve have had limited or no growth in this essential area during the past few years. The failure to permit growth in the number of full-time active duty personnel needed to train, administer and support an expanding Reserve with more complex equipment has been a glaring example of the misconception that new or expanded missions can be transferred to the Reserve components without the required resources.

Cost effective incentive pays are also needed. The Naval Reserve is manning assigned ships at a high level and the dedication of Naval Reservist assigned is unquestionable. However, the nature of service on a Naval Reserve ship, underway on Friday to return late Sunday, often operating under physically demanding conditions at sea the entire weekend, has created higher than desired personnel turnover. The result is an expensive training problem.

For several years the Navy has proposed, and now, for the first time, the administration has supported (at least in the Reagan budget) a proposal to authorize a new unit incentive pay on a test basis.

This incentive would permit payment of an additional $10.00 per drill per month (not to exceed $50.00 per month) to enlisted Selected Reservist assigned to critical "hard-to-man" units. The Navy plans to test the efficiency of this new incentive pay on the Selected Reserve crew members of the Naval Reserve Force ships. This modest incentive will recognize the arduous nature of this duty and should increase unit readiness and decrease training costs by reducing personnel turnover. ROA strongly supports this initiative and urges this committee to do the same.

GENERAL PERSONNEL ISSUES

Reserve Officer Personnel Management Act (ROPMA)

The need for legislation addressing appointment, retention, promotion and retirement of Reserve officers is crucial to the management of the Reserve Component. When the Defense Officer Personnel Management Act (DOPMA) was adopted in 1981 for the active component personnel, it was understood that ROPMA would follow as a counterpart to replace ROPA (Reserve Officer Personnel Act).

ROPMA was introduced in the 99th and the 100th Congresses. On 26 January 1988, when Congressman G. V. (Sonny) Montgomery announced his introduction of a ROPMA bill (H.R. 3856/100th Congress) at a Reserve Officers Association Mid-Winter Conference at the Washington Hilton, the 500 Reserve officers attending responded to the announcement with a prolonged standing ovation.

In its Annual Report of the Reserve Forces Policy Board, the Reserve Forces Policy Board states that among other issues, ROPMA would:

* Provide common statutes for all Reserve Components regarding appointment, promotion, separation, and retirement of Reserve Component officers.

* Establish a visible, uniform, and improved personnel management system for Reserve Component officers not on the active duty list.

- Provide the flexibility to be responsive to changing officer requirements.
- Provide a balance between management objectives and equitable treatment of individual career expectations, including an attractive career progression for Reserve Component officers.

In its conclusion, "The Board recommends that passage of the proposed ROPMA legislation be given priority by the Congress."

The House Armed Services Personnel Subcommittee held hearings on ROPMA in September of 1988. All who testified from the services and from the military associations unanimously supported the ROPMA proposal and recommended the earliest possible adoption of the legislation. ROA understands that a little changed ROPMA bill will be introduced in the house soon. We look forward to its introduction and urge the Senate to consider the legislation as soon as possible.

Reserve Medical Coverage

On behalf of our members ROA would like to express it's appreciation to the Congress for the progress that has been made over the past several years towards equalizing the medical benefits for Reservists and their survivors in the event the Reservist becomes ill, is injured, or killed while traveling to or from training or while participating in weekend drills or on tours of less than thirty days. Your recognition of the increased reliance that is being placed upon the Reserve Components has been paralleled by legislation to provide equal medical, disability, and survivor benefits for this important element of the Total Force.

While the major disparities that existed several years ago have been addressed and remedied we would like to point out that there is still a need to enact legislation to provide, in the case of members of the Reserve who are seriously injured in the line of duty while in a training or training related status, authority for the Service Secretary concerned to order a seriously injured Reserve Component member, with his or her consent, to extended active duty when it is determined to be in the interest of fairness and equity to do so.

The need for this legislative fix was highlighted in June 1987 when an Army Reserve Component helicopter crashed during training exercises killing two soldiers and seriously injuring six others. Since both active duty and Reserve soldiers where on board the aircraft at the time of the accident it quickly became apparent that due to anomalies in the statutes families of active duty disabled soldiers have considerably more entitlements than do those of Reserve Component soldiers. Following the accident Reserve Component wives had problems reaching their severely injured husband due to the lack of a travel entitlement, obtaining on-post housing, and access to commissary, exchange and medical treatment because the Reserve Component soldiers were not on active duty. Families of those soldiers on extended active duty did not experience similar problems.

Since Congress authorized the Service Secretaries in P.L. 99-661 to involuntarily order to active duty any Reserve Component member captured or detained against his or her will by a hostile force, in order to provide some benefits and protection to Reserve Component members and their families during such situations, similar corrective legislation is warranted in the case of a member of a Reserve Component who is disabled in the line of duty by injury, illness, or disease while in a training or training-related travel status. ROA supports correcting this problem in the interest of fairness and equity.

Medical Shortfalls

ROA continues to be concerned over the shortages of health care professionals within the Reserve Components. The impact of the shortage of health care professionals within the Reserve Components is brought into focus when we note that approximately two-thirds of the medical care required during a major conflict in which the U.S. may be involved is programmed to be provided by the Reserve Components. For example, the Army will rely on the Reserve Components to provide 77% of its general surgeons and 75% of the required nurses. In the Air Force, the Air Reserve Components are tasked to provide 35% of the wartime medical manpower requirement. The Air Reserve Components also provide 70% of their second echelon tasking, 75% of their CONUS augmentation tasking, and 97% of their aeromedical evacuation wartime capability. These are just examples of the dependency the Total Force places upon the Reserve Component medical care needed during a wartime scenario. For this reason, we hope that this Committee, as it addresses the medical shortfalls that currently exist, will work with the services to address methods by which the Reserve Components may reduce their shortages.

We recognize and applaud steps the Congress has already taken in the form of the new Specialized Training Assistance Program to provide monthly stipends for members training in critical skills in return for a commitment to the Selected Reserve or the Individual Ready Reserve. The Health Professions Loan Repayment Program, which provides for repayment of student loans in return for service in the Selected Reserve, is another step in the right direction. However, we are concerned that the shortages which currently exist will continue if additional new and creative recruitment and retention procedures are not adopted. ROA hopes that the members of this Committee will work with the health professionals in the different services to establish additional programs to solve the shortages of Reserve Component medical professionals. In the past, ROA has testified that we believe a health care professionals special pay program for Reserve personnel should be considered as part of an overall plan to reduce existing shortages. ROA still believes that an adequate special pay incentive program, when coupled with other incentives, would have a beneficial effect on recruiting and retention for the Reserve Components.

User Fees

When the FY88 DoD Authorization Bill was signed into law, it contained a two year prohibition on the charging of outpatient fees at military medical treatment facilities. Unfortunately, those two years expire on the First of October and we note that OMB is again attempting to impose this new tax on active duty military dependents and military retirees and their dependents under the guise of a limited test program. ROA strongly opposes this proposed tax and hopes the Congress will again take action to prohibit the implementation of a users fee at military medical treatment facilities. Should such a user fee be permitted it would break faith with the long standing commitment by the Government to provide free medical care to military personnel and their families, and would have adverse effects on morale which could impair job satisfaction, performance, retention and readiness.

Medicare Catastrophic Coverage Act of 1988

ROA is very concerned over the impact that the new Medicare Catastrophic Coverage Act of 1988 can have on the desirability of making the military a career either in the active or Reserve Components. An often promised and accepted element of military compensation has been that of no-cost medical care both during the members military career and on into retirement. Unfortunately, the funding mechanism of the new Medicare

Catastrophic Cap legislation has the effect of placing an unanticipated financial burden on many military retirees. Even those military retirees who exclusively use military treatment facilities now find that if they pay any federal income tax at all they will be required to pay an additional Medicare surtax when they become Medicare eligible. Therefore we urge the Congress to codify the historical commitment of no cost medical care for uniformed service retirees, their dependents and survivors, thereby removing the Catastrophic Coverage surcharge from these retirees. In addition, we would recommend a reexamination of the financing mechanism utilized in the 1988 Medicare Catastrophic Coverage Act with the objective of lessening the harsh financial impact that the current law has upon those senior citizens who had planned in order to be self-sufficient in their golden years, and now find that they are being penalized by an additional tax on their income.

GI Bill

From all reports that the Reserve Officers Association has received the new Montgomery GI Bill is having a positive impact on the quality of recruits entering both the active and Reserve forces. We believe that the Montgomery GI Bill is good not only for the services and the individual service member but also for our country. Last year we testified in support of some fine tuning of the bill and were pleased to note that one of our major requests, the death benefit provision, was enacted into law.

The need still exists for certain improvements, including a legislative change which would permit Reservists to use the Montgomery GI Bill for post graduate training. This would be an incentive to attract and retain college graduates into Reserve programs. In addition, ROA has gone on the record as supporting recognition of on the job training, correspondence schools and apprenticeships as authorize programs under the new GI Bill. There are many skilled, technically oriented positions within the Reserve where such training courses could be utilized to raise the overall effectiveness of the Reserve Components.

The Two-Tier Reserve Component Retirement Plan

ROA notes that the Administration's Budget submission endorses the adoption of the Two-Tier Reserve Retirement Plan prepared by the Sixth Quadrennial Review of Military Compensation. While the Sixth Quad's report covered the whole range of Reserve Component compensation, and ROA supports many of its recommendations, the major change it proposed is to the Reserve Retirement system and this is an area were the Association feels caution should be exercised. The major rationale for proposing a change to Reserve Retirement appears to be that it would provide a better management tool by permitting Commanders to offer some incentives for an individual to transfer immediately to the Retired Reserve and start receiving the first tier of Reserve retired pay, provided that the service member has completed the necessary twenty qualifying years of service. In passing, we note that this change would increase near term outlays for the Reserve Retirement program. While on the surface the prospects of immediate retired pay, upon the completion of twenty qualifying years of service, has some appeal, we are concerned that the impact on the Survivor Benefit Plan has not been adequately addressed. For example, the typical enlisted Reservist retirees as an E7, and thus the "tier one" benefit of 5% basic pay at twenty years of service would provide an immediate retired pay of approximately $90 a month. Should that member elect the maximum survivor benefit annuity, the survivor would receive less than $50 a month and at age 62 less than $32 a month in constant dollars.

Because of this obvious shortcoming in the proposed two-tier retirement system ROA recommends that, if the services really feel they need a management tool to encourage selected individuals to retire early, there is a better understood, less traumatic and certainly in the short term less costly, way to do it. We believe strong consideration should be given to providing the no cost/low cost retirement benefits, that currently accrue at age 60 upon the receipt of Reserve retired pay, immediately upon an individuals transfer to the Retired Reserve, assuming of course, that he or she has the necessary twenty qualifying years of service. These no cost/low cost benefits would include Space A travel, unlimited commissary and exchange privileges, access to MWR facilities, etc., but would not include medical benefits until age 60. A side benefit of granting these privileges to the so-called "grey area" Reserve retiree would be the potential for raising additional funds for the MWR system, which as you know, is suffering in this area. Thus, before consideration is given to a complete revamping of the entire Reserve Component retirement system, we suggest that the Congress consider the granting of these no cost/low cost benefits immediately upon the transfer to the Retired Reserve by those Reservists who will be eligible for Reserve retired pay at age 60.

Survivor Benefit Plan

We believe that the current Survivor Benefit Plan requires another look and towards that end ROA has been working with the Military Coalition in the preparation of a revised SBP which would not reduce benefits for survivors upon the attainment of age 62. The enactment of the Two-Tier Survivor Benefit Plan, contained in the FY86 Defense Authorization Bill which became effective 1 October 1985, has focused attention on the fact that SBP is reduced when the survivor reaches age 62. At least under the old social security offset system a Reservist who paid maximum social security taxes each year in his civilian employment, and thus had no military pay contribution to FICA, was providing an unreduced annuity for his or her survivors. Under the new system the survivor of a Reservist who had no social security credits based upon military service will still suffer an annuity reduction from 55% to 35% at age 62. We believe that this arbitrary formula unjustly impacts on this group of survivors and recommend that the Committee re-examine the whole Survivor Benefit Plan with the goal of eliminating such drastic reductions as the survivor gets older and instead support a plan which would provide a constant annuity to the survivor .

COLA Equity

If adopted as submitted the Administration's FY90 budget will do serious damage to military retirement. The budget proposal would eliminate the Cost of Living Adjustment (COLA) for all military retirees and federal retirees that will be due this December to compensate for the inflation that has occurred over the previous year. In addition, future COLAs would be limited to the CPI minus 1% thus guaranteeing the diminishing purchasing power of military retired pay. The paradox in the budget submitted to Congress by the Administration is that it claims to provide full COLA protection to veterans as well as social security recipients. The fact that military retirees are veterans too is totally ignored.

ROA believes that the elimination of this year's COLA and the reduction of future COLAs places an unfair burden for deficit reduction on those who have spent a minimum of twenty years in the military serving our nation. We do not believe that military retirees and federal civilian retirees should be singled out again to shoulder a disproportionate share of budget cuts. In fairness, the same basic COLA policy must apply to those who retire under all government sponsored retirement programs, be it social security, military, or civil service. Since no reduction is proposed in social security or veterans COLAs we strongly urge you to support COLA equity for military retirees. Continued erosion of the purchasing power of military retired pay will result in a lack of confidence in the system and adversely impact upon the ability to acquire and retain the quality and quantity of personnel needed to man the Total Force. Since legislation has been introduced in both the House and the Senate to preserve COLA equity we urge you to support H.R. 1074 and S. 416 if the full COLA is not restored by Committee action.

Tax Relief for Drilling Reservists

Prior to the 1986 Tax Reform Act members of the National Guard and Reserve were allowed to deduct the full cost of travel, food and lodging expenses related to their military training duties. Unfortunately, the 1986 Tax Reform Act permits these expenses to be deducted only if they, in combination with other authorized expenses, total more than 2% of the individual's annual income. We believe that this change is a disincentive that needs to be corrected. If we want to encourage participation in the Guard and Reserve, service members should receive fair tax treatment and be permitted full deductibility of expenses including travel, food, and lodging connected with their military service.

TUESDAY, APRIL 25, 1989.

SEMICONDUCTOR MANUFACTURING TECHNOLOGY

WITNESS

HON. J.J. PICKLE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

INTRODUCTION

Mr. MURTHA. The next witness is Congressman J.J. Pickle. Mr. Pickle, welcome to the committee. I would like to tell you how much we enjoyed our visit to SEMATECH in your part of the country recently. It was a delightful visit and very educational to us to know about the problems that you are overcoming with that impressive installation.

STATEMENT OF CONGRESSMAN PICKLE

Mr. PICKLE. Thank you, Mr. Chairman and I thank you for the invitation to appear.

I appreciate the chance to visit with you and other Members of the Committee, Mr. Chairman. I appeal to you to continue the appropriation for the SEMATECH project.

This project is underway in Austin, Texas. It is a consortium of 14 different semiconductor companies representing nearly 80 percent of the total semiconductor productivity of this Nation. They have banded together to try to regain leadership in the semiconductor field.

We have lost it to foreign vendors and must regain it. In 1987, the Defense Task Force came to the conclusion that we need to broaden the entire domestic semiconductor base or otherwise the Defense Department is going to be dependent on foreign companies for their chips to run all of our missiles, whether it is guns or tanks or any other operation and they recommended the creation of a consortium.

The semiconductor companies got together and formed a corps. Now we are entering into a third-year program immediately ahead of us.

I think, Mr. Chairman, you will find that the industry and the Defense Department are very satisfied with the operation and the development.

Industry tells us that they are getting their moneys worth, they are putting their $100 million into this project on an annual basis, they feel like it is a good investment and they are happy with the prospects.

I think if you check with the Defense Department, it is on schedule, they have a good agreement and they like what is being produced.

We are sort of in a race for time. We have good cooperation between local people in my city with my universities, they have invested millions of dollars just to get going.

We have produced our first waiver. The DOD says it is a good production ahead of schedule.

So I hope you can continue, Mr. Chairman.

Let me add, though a lot of the basic research is being done at the SEMATECH headquarters, we have also established nine different centers of excellence at universities across the Nation so that on each given item of research, that university so designated is carrying on important work.

So it is a national effort that we are participating in. We are ahead of schedule or on schedule.

This will be the third year. When we started out, we said it will be a five-year program and we are entering into the third one now.

We have a beautiful plant there. I think it is the envy of the semiconductor industry throughout the country. We are proud that you could come. We hope others will come because it is a showpiece.

This operation may be very significant to our Nation. It is a venture capital 50 percent Government, 50 percent industry. The Government simply hasn't got money to finance all these big projects that we hope to conduct in research and development. We don't have the dollars to go. We have to spread it around. Here is a case where private industry is putting in half the funds and the Government is putting in half the funds.

If this project at the end of five years goes forward with as much success as I think it will, I think it will set the pattern for a lot of operations.

I encourage you to continue funding at the full level. We are off to a good start and I ask for your cooperation and continuation of it.

[The statement of Mr. Pickle follows:]

STATEMENT OF
CONGRESSMAN J. J. PICKLE
BEFORE THE
HOUSE COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON APPROPRIATIONS

APRIL 25, 1989

MR. CHAIRMAN, THANK YOU FOR THE OPPORTUNITY TO APPEAR HERE TODAY TO LET YOU KNOW OF MY SUPPORT FOR $100 MILLION IN FUNDING FOR SEMATECH. IN FY 1990.

AS YOU KNOW, SEMATECH'S MISSION IS TO RESTORE THIS COUNTRY'S LEADERSHIP IN THE SEMICONDUCTOR MANUFACTURING MARKET. FOURTEEN AMERICAN COMPANIES (AMD, AT&T, Digital Equipment, Harris, Hewlett-Packard, Intel, IBM, LSI Logic, Micron, Motorola, National Semiconductor, NCR, Rockwell, and Texas Instruments), WHICH REPRESENT 80 PERCENT OF OUR NATION'S SEMICONDUCTOR PRODUCTION BASE, ARE INVESTING THEIR MONEY TO MATCH FEDERAL DOLLARS IN SEMATECH AND MAKING THEIR BEST ENGINEERS AND SCIENTISTS AVAILABLE TO SEMATECH. THE SPIRIT OF PRE-COMPETITIVE COOPERATION BETWEEN AMERICAN COMPANIES AND THE MORE THAN 130 SMALL BUSINESSES THAT MAKE UP THE MATERIAL AND EQUIPMENT SUPPLIERS TO THE SEMICONDUCTOR INDUSTRY HAS ALLOWED SEMATECH TO MAKE GREAT STRIDES IN A VERY SHORT TIME.

TODAY JAPAN DOMINATES THE SEMICONDUCTOR INDUSTRY WORLDWIDE. IN 1975, THE JAPANESE GOVERNMENT AND INDUSTRY LAUNCHED THE VLSI PROJECT WHICH WAS DESIGNED TO GIVE THEM THE LEAD IN SEMICONDUCTORS. THE JAPANESE FELT THIS TO BE A CRITICAL INDUSTRY BECAUSE SEMICONDUCTORS ARE THE FOUNDATION FOR CONSUMER ELECTRONICS AS WELL AS COMPUTERS. THEIR GOVERNMENT-INDUSTRY PARTNERSHIP PROVED VERY SUCCESSFUL. WITH A

NATIONAL EFFORT, THE JAPANESE REPLACED THE U.S. AS THE WORLD LEADER IN SEMICONDUCTORS BY REVERSE ENGINEERING THE LEADING-EDGE SEMICONDUCTOR MANUFACTURING EQUIPMENT OF THAT DAY, WHICH WAS U.S. MADE.

THEIR NATIONAL EFFORT WAS INSULATED WITH TWO SAFEGUARDS: THE JAPANESE PROTECTED THEIR DOMESTIC INDUSTRY, MAKING IT PRACTICALLY IMPOSSIBLE FOR U.S. SEMICONDUCTOR MANUFACTURERS TO COMPETE IN THE GROWING JAPANESE MARKET; AND, THE JAPANESE ILLEGALLY DUMPED SEMICONDUCTORS ON THE U.S. MARKET IN AN ATTEMPT TO DRIVE U.S. COMPANIES OUT OF THE MARKET.

IN 1987, THE DEFENSE SCIENCE BOARD TASK FORCE ISSUED A REPORT THAT PLACED THE SEMICONDUCTOR SITUATION IN PERSPECTIVE. THE TASK FORCE CONCLUDED THAT WITHOUT A STRONG DOMESTIC BASE OF SEMICONDUCTOR PRODUCTION, OUR MILITARY WOULD SOON BE FORCED TO RELY ON FOREIGN SUPPLIERS FOR THE ADVANCED ELECTRONICS SO CRITICAL TO OUR DEFENSE SYSTEMS. THESE COMPUTER CHIPS AND ELECTRONIC COMPONENTS ARE USED IN SYSTEMS RANGING FROM TANKS TO MISSILES; FROM SUBMARINES TO FIGHTER PLANES. AMERICA'S STRATEGY OF REMAINING STRONG THROUGH THE DEVELOPMENT OF QUALITY WEAPONS SYSTEMS, RATHER THAN RAW QUANTITY, IS AT RISK.

THE MILITARY IMPLICATIONS OF A SECOND-RATE U.S. SEMICONDUCTOR INDUSTRY ARE OBVIOUS. BUT WE MUST ALSO CONSIDER THE IMPORTANCE OF A STRONG SEMICONDUCTOR INDUSTRY TO THE NATIONAL ECONOMY. TODAY, THE ELECTRONIC INDUSTRY EMPLOYS MORE WORKERS THAN STEEL, AUTOMOBILE, AND AEROSPACE COMBINED. NOT TO MENTION EMERGING INDUSTRIES OF THE FUTURE LIKE TELECOMMUNICATIONS, HIGH DEFINITION TELEVISION, AND AUTOMOTIVE ELECTRONICS.

THE LEADERS OF THE SEMICONDUCTOR INDUSTRY, INCLUDING SUCH COMPANIES AS AT&T, IBM, MOTOROLA , AND TEXAS INSTRUMENTS, AND INDUSTRY LEADERS SUCH AS DR. ROBERT NOYCE AND CHARLIE SPORCK PROPOSED THE IDEA OF A CONSORTIUM OF AMERICAN COMPANIES WITH THE DISTINCT MISSION OF RESTORING OUR NATION TO SEMICONDUCTOR MANUFACTURING LEADERSHIP. OUT OF AN ENVIRONMENT OF COOPERATION AND COMMON NEED EMERGED THE CONCEPT OF SEMATECH, THE SEMICONDUCTOR MANUFACTURING TECHNOLOGY CONSORTIUM. THE FACT THAT AMERICAN COMPANIES, EACH A FIERCE COMPETITOR AGAINST THE OTHER, ARE WORKING TOGETHER ON THIS PROJECT IS UNIQUE TO SAY THE LEAST.

SEMATECH HAS BEEN A VERY WORTHWILE INVESTMENT FOR THE FEDERAL GOVERNMENT. IN 1987 THE INDUSTRY CONSORTIUM WAS PUT INTO PLACE AND WORKED OUT A CONSENSUS ON WHAT THE CORE RESEARCH PROGRAM SHOULD INCLUDE. IN THE PAST TWO YEARS, SEMATECH HAS EARNED THE SUPPORT OF THE PUBLIC, THE GOVERNMENT AND ACADEMIA. IN EARLY 1988 THE AUSTIN SITE WAS SELECTED AND OCCUPIED. SINCE THEN, SEMATECH HAS ESTABLISHED 9 CENTERS OF EXCELLENCE ACROSS THE NATION, HAS CONSTRUCTED A WORLD-CLASS CLEANROOM, COMPLETED A FULL-SCALE TECHNOLOGY TRANSFER AND PROCESSED THE FIRST COMPLETE WAFER AHEAD OF SCHEDULE.

IT IS OBVIOUS THAT SEMATECH IS WORKING WELL AND IS ON OR AHEAD OF SCHEDULE. IT IS IMPERATIVE THAT SEMATECH RECEIVE THE CONTINUED SUPPORT OF CONGRESS TO REMAIN ON TRACK AND BEAT THE JAPANESE IN SEMICONDUCTOR PRODUCTION. I URGE THE COMMITTEE TO APPROPRIATE $100 MILLION FOR SEMATECH FOR FY 1990. WITH YOUR CONTINUED SUPPORT SEMATECH CAN REACH PARITY WITH THE JAPANESE BY 1990-91 AND BY 1992-93 THE U.S. CAN SURPASS THE JAPANESE IN THE PRODUCTION OF SEMICONDUCTORS.

Mr. Murtha. I was impressed with our visit. It is a national asset and we appreciate the opportunity to see it. I was impressed and I think the committee will be also.

Mr. McDade?

Mr. McDade. I wasn't able to attend the day the committee went down to Texas, but everything I have heard mirrors what the Chairman has said, and no project could have a better advocate than the gentleman from Texas.

Mr. Pickle. We want you to come there and see for yourself because we are very proud of that operation. It may be one of the most significant developments in our whole defense consortium.

Mr. Chairman, this is not just for the Defense Department per se. The Defense Department thinks it is terribly important to the United States that this project be underway and they are putting their money into it.

This is not a decision saying it is our product, Defense and nobody else's.

The semiconductor industry affects the entire national economy and we will be carrying on a lot of research for Commerce, not just Defense. Maybe after five years, you will want to broaden it.

We are not trying to be exclusive about it. We are happy and proud of it and we hope you all can continue it at its present level.

Mr. Murtha. Thank you very much.

Tuesday, April 25, 1989.

THE NON COMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

WITNESS

C.A. "MACK" McKINNEY, NON COMMISSIONED OFFICERS ASSOCIATION

Introduction

Mr. Murtha. The next witness is Mr. McKinney with the Non Commissioned Officers Association. Mr. McKinney?

Statement of Mr. McKinney

Mr. McKinney. I want to extend the appreciation of the Association for allowing me at this time to express our views and positions on the fiscal year 1990 budget and also to express further appreciation for the good work this Subcommittee has done in improving the readiness and quality of life for our troops.

Although the Non Commissioned Officers Association has submitted its concerns in a prepared statement, there are some major issues that the association wishes to bring to the attention of this distinguished committee.

REDUCTION IN MANPOWER

One is manpower.

How much longer will Congress permit Defense to build its strategy based on dollar bills? The NCOA is alarmed that the first item on most budget cuts is active-duty uniformed personnel.

A lot of people say transfer these active roles to the Reserve and Guard. They say this will save money. No doubt about that, but we believe that it also affects readiness in an adverse way.

All four of the service chiefs have suggested that they cannot afford to lose any more active duty personnel and the Association agrees.

Those of us who were around in World War II or afterwards and the Korean and Vietnam War can testify to the validity of the terrible effects brought on by reduced budgets and high losses in active duty manpower.

NCOA continues to be further alarmed that people reductions may bring separation pay to eligible commissioned and warranted officers as well as Federal civilian employees who are separated prior to retirement eligibility from the military service or employment, but such is not the case with enlisted service members even if they have 10, 15, 19 years of honorable service to this country.

Almost everyone I have discussed this issue with agrees that this is a terrible inequity, but nobody wants to do anything about it.

NCOA cannot understand why many legislators are willing to jump in with proposals to alleviate the adverse effect reductions in force will have on civilian employees, yet ignore the plight of enlisted service members and their families.

HOUSING

Another major concern is housing and housing allowances. The fiscal year 1990 budget request has cut deeply into family housing construction.

This then calls, we believe, for larger funding for quarters and variable housing allowances.

Our military personnel should not have to pay a greater share of out-of-pocket expenses for non-governmental housing than intended by law.

No more than 15 percent out-of-pocket expenses should also, we believe, apply to permanent changes of station.

HEALTH CARE

Military health care is another subject that bears repeating. Its availability has deteriorated over the years.

Priorities must be established that will upgrade medical services so they are again available to all components of the uniformed services.

It bothers me to know that I have lied to many U.S. Marine prospects, recruits and young Marines considering reenlistment. I advised them that free medical care for life was available to them if they chose a career in the Corps. I lied to them because I was an earlier victim of the same lies, oral as well as written. It makes me ashamed. It is a mark against the military's integrity.

SUMMARY

There are more issues that I care to discuss, but my time is limited.

Hopefully this Subcommittee can rectify the shortcomings and provide the funds to retain the quality personnel we have now in the United States Armed Forces and provide a pay compensation that brings their pay up to an adequate level.

Thank you, Mr. Chairman.

Mr. MURTHA. This committee agrees with you, particularly about the health care. We have been concentrating on improving the health care of the naval service, in particular. We feel that the care is adequate where they have the personnel, but there are long waiting lines and we are doing everything we can to overcome that by adding more medical personnel. We appreciate your suggestion.

Mr. McDade?

Mr. McDADE. No questions, Mr. Chairman. Thank you for taking the time to come and visit with us.

Mr. McKINNEY. Thank you.

[The statement of Mr. McKinney follows:]

NCOA

Non Commissioned Officers Association of the United States of America

225 N. Washington Street • Alexandria, Virginia 22314 • Telephone (703) 549-0311

STATEMENT OF

Sergeant Major C. A. (Mack) McKinney USMC Ret.
Legislative Counsel

before the

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
FIRST SESSION, 101ST CONGRESS

on

FY 1990 MILITARY PERSONNEL ISSUES

Chartered by the United States Congress

THE NON COMMISSIONED OFFICERS ASSOCIATION

The Non Commissioned Officers Association of the U.S.A. (NCOA) is headquartered in San Antonio, Texas, with a National Capital Office (NATCO) in Alexandria, Virginia. NATCO is staffed with six (6) noncommissioned and petty officers; four (4) retired and two (2) veterans; with a combined record of more than 140 years of military service and nearly 50 years of representing the NCOA in governmental affairs. Two additional staff members are married to military personnel. Of the eight (8) there are two each with ties to the Army, Navy, Marine Corps and Air Force.

NCOA membership is currently in excess of 160,000. It is representative of all branches and components of the Armed Forces, including the Guard and Reserve or the Retired, with a majority serving worldwide on active duty. Most of the Association's active chapters are located on or near military installations. This close relationship with the military community is the cornerstone by which the Association builds its program of legislative initiatives.

Representatives of the NCOA have been active in the Nation's Capital with annual appearances before the House and/or Senate Armed Services and/or Appropriations Committees each year since 1972. Primarily concerned with military personnel and veterans' issues, these spokesmen have appeared before and worked with the above committees and others having oversight authority or the appropriation of funds for such matters as U.S. Coast Guard personnel, veterans' affairs, housing and other military facilities, impact aid for schools, taxation, social security, civil service, unemployment compensation, and so on.

NCOA takes pride in having authored the first post-Vietnam Era G.I. Bill introduced in the House (1978) and Senate (1979). It is exceptionally proud to have been recognized by the 100th Congress as a federally-chartered organization. NCOA is the only military association exclusively representing enlisted members and veterans of the Armed Forces of the United States so honored.

FOREWORD

In spite of "glasnost," the world around us has changed but little. The United States continues to be the leader of the free world. Many foreign nations rely on it to safeguard their economic interests and their national security. As a maritime nation, the United States must depend on outside sources to provide raw materials and other products for the development of its commercial interests as well as a mobile, flexible, and strong defense posture. And, too, as long as the Soviet Union moves forward in building a stronger armed force to support its foreign policy, the United States cannot sit back and ignore its position in world affairs. We, the people of the United States, cannot follow. Our role is to lead.

o Our nation needs to maintain a strong Army, Navy, Marine Corps, Air Force, and Coast Guard manned by quality personnel whose numbers are determined not by fiscal constraint but by the missions assigned to the armed forces. **(See enclosure [1].)**

o To sustain the current high-state of manpower readiness now enjoyed by the United States, military compensation must be adequate, comparable, and fair. (See enclosures [2] and [3].)

o Sustainability also is dependent upon quality-of-life programs that subscribe to the good discipline and morale of personnel in all components (regular, reserve, national guard, and retired) of the armed forces. **(See enclosures [4], [5], [6], [7].)**

Smart people are always more important to an adequate defense than smart weapons.

MILITARY MANPOWER

The battle of "how many is too much or too little" will resume in the 101st Congress while debating the military manpower issue for Fiscal Year (FY) 1990. Unfortunately, the argument - oft times disguised as sound military procedure - will be centered on cost rather than need.

"It's difficult for middle managers to look toward major national security objectives when our senior leaders aren't explicit about (manpower) requirements. The absence of finite objectives can jeopardize attainment of valuable institutional goals. 1/

So raises the question as to why there's a hesitancy to define the required strengths of the military services to fulfill the varied missions assigned to them by the Pentagon, the Joint Chiefs of Staff, and the Congress of the United States. Some manpower specialists insist that there's more behind the move for less people than meets the public eye:

o Sustaining a greater force of manpower reduces the funds that go into programs that keep civilians employed-

o Civilian employees cost the Pentagon less money than uniformed personnel-

o Uniformed officials agree to smaller strength figures while unit numbers are kept constant so that senior officer billets are protected regardless of the size of the manned forces-

o Too many dependents require greater cost-outlays in the military personnel account

In any event, the Administration and Congress appear to be playing an old game of relying on untrained manpower to counterbalance any future national military emergency involving the United States or its Allies. Rather than have trained manpower (smart troops) at the ready, the Pentagon prefers to place most of its fiscal resources into producing, buying and maintaining hi-tech weapons systems that only the manufacturer's technicians have the knowledge and training to keep in operating condition.

Every war or conflict involving the United States in the past 70-plus years has proved for the most that smart weapons do not win the important battles. Time after time it has been the foot soldier, the sailor, the marine, the airmen, and coast guardsman who win the battles in spite of the availability of hi-tech systems that may not function under combat conditions. 2/

All of this should be a warning to the Administration and the Congress of the United States that there must be support for military manpower strengths at near the numbers authorized in the late 1950s and early 1960s- after the Korean involvement but prior to the Vietnam build-up. These numbers averaged more than 2.4 million for active duty servicemembers, a comfortable strength to meet the defense needs of our nation at that period in history (see chart below), and more than 3 1/2 million reservists.

Today, the missions assigned to the U.S. military services are nearly as great as they were in the 1950s and early 1960s. Yet, Congress endorsed a DoD proposal to slash military personnel strengths for FYs 1988 and 1989 (see chart below) while increasing the missions of the services in FY 1989 to include drug interdiction.

The difference in strength figures for the end of FY 1961 and the beginning of 1989 are shown below:

ACTIVE DUTY MILITARY PERSONNEL

1961 a/ - 1989 b/

U.S. ARMY	U.S. AIR FORCE
1961 - 858,622	1961 - 821,151
1989 - 771,800	1989 - 575,100
DIF. (-) 86,822	DIF. (-) 246,051

U.S. NAVY	U.S. MARINE CORPS
1961 - 627,089	1961 - 176,909
1989 - 593,200	1989 - 197,200
DIF. (-) 33,889	DIF. (+) 20,291

a. Actual - DoD Selected Manpower Statistics, FY 1981, p 72
b. Authorized - CONGRESSIONAL RECORD, Sep. 28, 1988, Conference Report on H.R. 4481, Defense Savings Act of 1988, p H 8593

The most startling fact related to these numbers is the tremendous loss in estimated unit strengths. Air Force power diminished by 400 squadrons, the Army by 6-to-8 divisions, and the Navy by some 16,000 rotational slots (alternate ship-to-shore billets.) Even with a gain of one-and-one-fourth Marine divisions, the total loss in active duty combat strength is staggering.

transferred to the National Guard and Reserve without any loss in combat readiness. However, this is another attempt to use smoke and mirrors so the public may believe our defense forces are as effective as ever and only the cost is reduced. But in 1961 the U.S. had nearly 2.4 million people in the Ready Reserve and about 1.2 million in the Standby Reserve. 3/ This compares to 1.6 million Ready Reserves and 37,250 Standby Reserves, as of March 31, 1988, for a total of 1.7 million. 4/

Mathematically speaking, there's no way the active forces can lose nearly 347,000 positions from one peacetime period to another and have that loss transferred to the reserve forces. Reserve units lost nearly 2 million people from June 1961 to March 1988. 775,526 were from the Ready Reserve alone.

The irony is that defense officials boast the services can accomplish their missions even with the (extreme) loss in military and civilian manpower. (In 1961 there were 1.2 million civilians employed by DoD. As of March 1988 there were less than 1.16 million.)

It's absolutely ridiculous to even suggest that the United States, a leader of non-communist nations, can adequately defend itself and exert its influence and protection on nations around the world with a total force of 2.4 million less than it had in 1961. It's more ridiculous to insist that the United States can shift a large burden of its strategic and tactical missions to a reserve force that is 2 million less than its 1961 strength.

There are hard choices for the new Administration and Congress to make for Fiscal Year 1990. The services cannot afford to take another loss in its manpower structure. If, for example, the enlisted senior grades are cut through forced attrition (involuntarily ordered to retire) the result is trouble, but there are greater problems that can occur when the middle and/or lower grades are also affected. It's a case of losing leadership, mid-level supervision, and the capability to train, not to mention the people who apply the hands-on work to keep the forces at the ready.

President Reagan and others have publicly decreed that the United States will never fight another war without the commitment to win; that there'll never be another Vietnam. Though that promise has been voiced, there has been no pledge that our young men will be trained adequately to avert the slaughter that an older generation suffered in Vietnam - more than 50,000 deaths.

There's only one way to alter the future for our young people whom we may call upon to physically place their lives in jeopardy for their country and country-men. Make certain there are adequate numbers of trained personnel in the armed forces to assure a continued high-state of combat readiness.

-end-

---

1 - AIR FORCE TIMES, "Manning Issues Get Short Shrift in Defense Reports," by John Burlage, Apr. 18, 1988

2 - "It should be noted that there are some respected and respectable modern military operations research analysts who believe that the changes in weapons and technology of the past few decades have made all military history- even that as recent as World War II- irrelevant. ...[but] all military history is relevant to modern combat, as long as due allowances are made for the significant (but not usually overwhelming) impact of changing weapons and technology - particularly in the fields of communications, observations, and transportation." [Col. T. N. Dupuy, USA Ret; "NUMBERS, PREDICTIONS & WAR; p 5]

3 - DoD Selected Manpower Statistics, FY 1981, p 185

4 - Defense 88 Almanac, Sep/Oct, pp 32 & 33

READJUSTMENT PAY

Fact: Active duty nondisabled enlisted servicemembers are not entitled to readjustment (severance or separation) pay although active duty commissioned officers are authorized such pay averaging nearly $29,000 for each separatee.

Proposal:. NCOA recommends that Chapter 59, Title 10, USC, be amended by adding a new section 1175 that authorizes readjustment pay for certain active duty nondisabled enlisted personnel. (A copy of the proposed legislation is available from the NCOA National Capital Office.)

Justification: o Such pay, under whatever name, has been recommended by Defense studies; governmental commissions, committees, and agencies; military departments and top military leaders; and private enterprise. (A complete list is available from the NCOA National Capital Office.)

o Active duty nondisabled enlisted servicemembers are the only full-time federal or quasi-federal "employees," including foreign hires, not entitled to readjustment, severance, or separation pay. This inequity applies to those enlisted servicemembers with as many as 19 years, 11 months, and 29 days of honorable service. They receive not one penny from the U.S. government to assist in transitioning to a civilian environment.

o Reserve enlisted personnel of the Armed Forces called to active duty but denied further active service following a prescribed period are entitled to readjustment pay.

FOR FURTHER INFORMATION SEE APPENDIX "A" ATTACHED

READJUSTMENT PAY

The Officers Personnel Act of 1947 provided severance pay to commissioned officers who were mediocre on a par with more industrious, more capable officers.

The Act's legislative intent was to provide the military services with: "The type of incentive, promotional, and elimination programs the services will require for permanent and temporary ... officers." Further to effect a system whereby all officers who are unqualified and incompetent are forced out. The unqualified, incompetent, and "patently unfit" officers would, under the Act, be entitled to severance payments up to and, in some cases in excess of $15,000.00.

"Severance" pay for officers has now been changed to "separation" pay and can amount to a maximum of $30,000.00, or double the earlier sum. For 1987 (the latest figure available to NCOA) it was estimated that 1,074 regular officers would receive an average payment of $28,971.00 and 626 reserve officers would receive an average of $27,781.00 for a total cost of $48,506,000.00.

Some officers, commissioned subsequent to receipt of more than $100,000.00 in federal educational support at one of the military academies, can be declared "mediocre" and be entitled to separation pay.

Yet, there is no like-entitlement for enlisted personnel of the regular (active duty) forces. They may be involuntarily separated from the armed services and receive not one red cent to assist them in readjusting to a civilian (and sometime a rather hostile) environment. This is true regardless of their time in service, up to 19 years, 11 months, and 29 days to be exact.

The 1947 Act, and its successor, the Defense Officers Personnel Management Act (DOPMA) of 1980 (Public Law 96-513), failed to include regular enlisted personnel of the U.S. Armed Forces, though for reasons unknown to NCOA the Act of July 9, 1956 (Public Law 84-676) and DOPMA offered some form of separation pay to reserve enlisted personnel with at least five (5) years of continuous active duty under the same provisions applicable to reserve commissioned officers. (Few, if any, reserve enlisted personnel ever qualified in practice.)

Separation or severance payments to regular nondisabled enlisted personnel is not a new idea. It was awarded to enlisted servicemembers in the 1800s and mid-1900s. The Act of May 14, 1800 (2 Stat. 85), for example, empowered the President to discharge noncommissioned officers and privates (enlisted personnel) with three (3) months' additional pay. Later, the Act of Dec. 24, 1811 (2 Stat. 669) awarded a "bounty" of three (3) months' pay and 160 acres of public land to all former enlisted personnel who had "faithfully performed their duty whilst in service."

At other times, separation (or severance) pay was paid without regard to the voluntary or involuntary nature of separation on which it was predicated. Following World War II and the Korean conflict, all military personnel discharged or separated under honorable conditions received up to three (3) months "mustering-out pay."

Currently the active duty nondisabled enlisted servicemember is the only full-time governmental or quasi-governmental "employee" NOT ENTITLED to some sort of severance, separation, or readjustment pay from the federal government upon separation from his or her employment prior to attaining retirement eligibility. Though governmental employees are entitled to unemployment insurance compensation, Congress has agreed they are entitled to severance pay to compensate for loss of job, seniority, and benefits, and disruption of their lives.

The U.S. government has applied such theory in its relationship with foreign nationals hired to work with the Defense and State Departments. One group of Japanese nationals under contract by the Pentagon was awarded an average of $200,000.00 each when their contract was voided.

Others also have benefited as a result of congressional interest in equity for employees separated from their livelihoods. About 10 years ago a special congressional action awarded some private-sector loggers the equivalent of $50,000.00 in government subsidies when their logging activities were terminated by the federal government.

In comparison, 437 Navy petty officers and 249 Marine noncommissioned officers in enlisted pay grades E-6 thru E-9 were involuntarily separated, denied reenlistment or discharged during FYs 1976 and 1977. Many were VIETNAM-ERA veterans. They had served 6-to-19 years of active duty. The U.S. government was so grateful for their services that they were rewarded nothing to assist in readjusting to civilian life.

Or take the case of the U.S. Army. In a four year period (1974-1978) following the Vietnam conflict more than 20,000 soldiers were separated through that service's "qualitative management program" (QMP), also the Army's name for a reduction-in-force (RIF). Some were separated and denied reenlistment even though they served valiantly in Vietnam. Their reward from an appreciative government was ZERO DOLLARS.

The denial of readjustment (separation or severance) pay to certain enlisted military personnel is blatantly unjust. As U.S. Representative Henry B. Gonzalez, M.C. (Texas) said; " ...We are treating enlisted personnel unjustly. ...the Department of Defense supports severance pay for its many civilian employees as well as its indirect hire and associated foreign national employees plus its uniformed commissioned officers, but denies the pay to those enlisted."

-end-

MILITARY COMPENSATION

Fact: Military compensation continues to fall behind comparable private sector pay. Currently, military pay scales- including the 4.1 percent increase for January 1, 1989- reflect the following problems:

o pay levels are below that which caused tens of thousands of military personnel to quit the armed services in the late 1970's;

o BAQ & VHA are some 6-1/2 percent below their intended absorption of 85 percent of a member's housing costs;

o NCO pay continues to be compressed with no relief since FY 1982;

o PCS reimbursements remain totally inadequate;

o certain personnel are forced to forego partial reenlistment bonuses due to forced early retention decisions.

Proposal: o Increase basic pay, BAS, BAQ, and VHA to more closely match that of comparable private sector pay and congressional intent.

o Address the NCO pay compression issue by programming greater increases in pay and allowances for NCO grades (E-4 thru E-9).

o Increase PCS authorizations and fundings so as to be more equitable in reimbursing military personnel for moving under government orders and, STOP CONSIDERING PCS REIMBURSEMENTS AS COMPENSATION.

o Provide authority and funds to military services to pay bonus money to enlisted personnel forced to make early decisions concerning reenlistment.

Justification: o Military pay is 10.4 percent behind comparable private sector pay (using the Employment Cost Index - ECI).

o BAQ and VHA have failed to keep pace with housing costs. For example, these costs went up 8.5 percent in 1987 leaving military personnel holding the bag for 22% of their housing. Even with a 7 percent increase in BAQ funds and 3.3 percent hike in VHA appropriations, servicemembers will continue to pay 6-1/2 percent more for housing than intended by Congress.

o The ratio of pay for a senior NCO to a recruit servicemember has dropped from a high of more than 4:1 in 1940 to 3:1 in 1988. Additionally, P.L. 99-348, which changed the military retirement system "to encourage longer service," failed to address pay scales for mid-level NCOs that do not increase for time-in-service beyond 18 years.

o PCS reimbursements continue to be considered as compensation when, in fact, it is dollars returned to a servicemember for spending his or her own money when moving under government orders. Reimbursements authorized are about $1.00 (more or less) for each $3.00 to $4.00 paid out by the servicemember. Civilian employees of the federal government receive much higher reimbursements.

o To effect reductions in end strengths, military services use an "early out or early reenlistment program" that forces enlisted personnel to separate or reenlist as early as 1 year prior to their existing contract's expiration date. Those who reenlist must return any bonus money received as a result of the previous contract for time not actually served.

o Military personnel assigned overseas have no control over the dollar's reevaluation in the foreign nation to which they are assigned for duty. Those living on the civilian economy are at the mercy of the local economy. The military needs to do all it can to keep the purchasing power of the dollar at its U.S. value for all military personnel overseas.

FORMER SPOUSES PROTECTION ACT (FSPA)

Fact: o Civil Courts and the Military Services are not complying with certain provisions in P.L. 97-252 relating to the rights of servicemembers, thereby, negating the requirement for certification/jurisdiction and placing the burden of the court's validity on the servicemember instead of the court itself.

o Civil courts are misinterpreting the law.

Proposal: o Direct the Secretary of Defense, the Service Secretaries and the Civil Courts (as defined in FSPA) , in the strongest language, that compliance with the applicable provisions of Section 1408, Title 10, U.S.C., is a must before any payments will be made by military finance centers upon receipt of a court order dividing a servicemember's retired pay.

o Direct civil courts considering the division of military retired pay as provided in P.L. 97-252 that they must comply with the provisions of that law.

Justification: o The FSPA requires that a court order certify that the rights of the active duty member under the Soldiers' and Sailors' Relief Act of 1940 were observed or, in the case of the retired member, the court issuing the order has "competent jurisdiction." However, the Military Services have been directed to honor the court order as long as it appears valid on its face. This, then, leaves the matter to be resolved by the member or retired member who may need to initiate legal action to prove what the federal law directs the issuing court what it must do in the first place. Filing a counter-claim in a court issuing the order, that it did not honor the right of jurisdiction, can possibly constitute latent jurisdiction and allow the court to subsequently certify that it has complied with the federal statute.

MILITARY HEALTH CARE

Facts: o The purpose of the military health care system is to create and maintain high morale in the uniformed services by providing an improved and uniform program for eligible beneficiaries (10 U.S.C. Ch 55). Medical care for nonactive duty beneficiaries is a "high moral obligation" based on promises made to servicemembers as inducements to enlist, reenlist and stay for careers. (1974 House Armed Services Committee Report on Military Health Care.)

o Military Treatment Facilities (MTFs) are experiencing problems in providing health care for mostly nonactive duty beneficiaries. Much of the difficulty rests with the military and its failure to prioritize medical programs, adequately man MTFs, and modernize and equip its facilities for more effective care.

o There's a probability that a recommendation to apply a co-payment scheme, user fee and/or increase CHAMPUS costs for beneficiaries will be made to or in Congress.

o CHAMPUS continues to be an overburdened, costly, confusing, and bureaucratic program that fails to appeal to many nonactive beneficiaries and the medical community.

Proposals: o Provide adequate funds to the military to recruit, retain, and hire adequate numbers of health professionals and technicians and administrative personnel to man and to modernize and equip MTFs.

o Prohibit any co-payment scheme, tax, or health care user fee in MTFs and forbid any increase in CHAMPUS costs for beneficiaries.

o Continue to fund and authorize commanders of military catchment areas to use any combination of available health services, military and civilian, to provide beneficiary care.

o Decrease CHAMPUS catastrophic cap for military retirees and their dependents from $10,000 to $3,000.

o Study the feasibility of authorizing the delivery of health care at civilian-operated treatment facilities in order to phase out the CHAMPUS program as it currently exists.

o Authorize the use of CHAMPUS by dependents, residing with their active duty sponsors who are assigned to permanent duty and domiciled outside a military catchment area, at less cost than required under current CHAMPUS provisions.

o Continue authorizing the use of and funding for the Uniformed Services Treatment Facilities (USTFs).

o Contract with Veterans Administration hospitals and health clinics to accept retired personnel for no-cost health care.

o Allow nonactive duty beneficiaries over 65 years of age to use CHAMPUS for care not available under Medicare if they reside outside the military catchment area or cannot receive the required care at MTFs. -

Justification: o Military health care has deteriorated over the years for many reasons, primarily due to soaring costs, inadequate personnel to man MTFs, and the slow-reaction by the military to modernize and equip its facilities with the latest in hi-tech health care systems and equipment.

o Other reasons are covered in "Facts" above.

MISCELLANEOUS

FACT. 1. **Temporary Duty/Per Diem Allowances for Enlisted Personnel.** In 1980 Congress authorized the payment of these allowances to enlisted personnel in the same manner as afforded officer personnel. The appropriating committees failed to fund the program and in the DoD Appropriations Act, 1985 (P.L. 98-473, section 101(n)), added language that offset equitable treatment.

PROPOSAL. Repeal subsection 404(g) of Title 37, U.S.C., and direct the funding for the remaining applicable provisions of section 404 pertaining to **temporary duty per diem** for enlisted personnel as intended in P.L. 96-513, Title IV, Part B, Section 411.

JUSTIFICATION. P.L. 96-513 provided that, for the first time in history, military enlisted personnel would be authorized equal consideration with commissioned officers in determining **per diem reimbursements** for performing temporary duty away from their permanent stations. Previously, officers received greater reimbursements; however, new rates for enlisted subsistence allowances (BAS) for enlisted members continued to rise until a reversal occurred. DoD complained that the new system is unfair so Congress refused to fund the authorization. NCOA believes the program of per diem should be equitable to all military personnel, regardless of grade.

FACT: **Temporary Lodging Expenses (TLE).** Authorized by Congress to include all military grades but not yet fully funded.

PROPOSAL: Direct full funding for Temporary Lodging **Expenses** (TLE) for all qualified military personnel. (Ref: 37 U.S.C. 404a).

JUSTIFICATION: **Temporary Lodging Expenses** (TLE) were authorized by Congress to help in easing out-of-pocket expenses for military personnel executing permanent changes of station orders issued by the U.S. military. Originally restricted to pay grades E-4 and below, the program was subsequently opened to all grades but no additional funds were appropriated to handle the extra beneficiaries.

FACT: **Morale, Welfare, and Recreation (MWR) Facilities and Programs.** Congress has reduced fundings resulting in the closing or reduction in operating hours of these facilities and the scope of programs available to maintain the good order and high morale of military personnel, especially single junior enlisted members.

PROPOSAL: Provide adequate funds for Morale, Welfare, and Recreational (MWR) facilities and programs necessary for the good order, discipline, and morale of military personnel, particularly single and junior enlisted servicemembers. (Ref: Defense Appropriations Act, FY 1989, SEC. 8111).

JUSTIFICATION: Rather large cuts in past years' fundings for MWR facilities and programs have severely impacted on their management, operation, and availability. Many are at risk, especially those providing younger servicemembers with healthy recreational activities, enhancing morale, and keeping them on-base to lessen the chance of involvement in questionable or suspect ventures. Further, high prices and crowded conditions in many civilian-operated recreational facilities located in large metropolitan areas near military installations preclude their use by junior enlisted personnel, in particular, and retired military members whose military retired pay is below the poverty level.

(NOTE: More than half, 55.97%, of members on retired rolls, earn less than $11,000 annually in military retired pay, based on DoD statistical data as of Sep. 30, 1987.)

FACT: Survivor Benefit Plan (SBP). Currently not a fully attractive package. Personnel are all but involuntarily enrolled in program upon retirement. Also a costly plan for members who live average life span; they pay in far greater sums than surviving spouses realize in annuities.

PROPOSAL: Amend the Survivor Benefit Plan (SBP) so that it is more attractive to servicemembers and provide a plan that compares to that authorized for paramilitary employees of the federal government. One recommendation is to provide an across-the-board annuity of 50% of the base amount of the member's covered retired pay regardless of the age of the surviving spouse. (Ref: 10 U.S.C. 1450).

JUSTIFICATION: Survivor Benefit Plan. See Fact above.

FACT: Tuition Aid. Reduced funds have curtailed the use of program to provide greater educational opportunities for career enlisted personnel.

PROPOSAL: Fund the Tuition Aid program so that it again covers 90% of the students' cost. (Ref: 10 U.S.C. 2007(a)(1)).

JUSTIFICATION: Tuition Aid requires full funding for up to 90 percent of allowable costs. Promotions are linked to education; senior NCOs are "encouraged" to obtain Associate degrees. Advancement opportunities are limited if civilian education ignored. Many members do not have G.I. Bill eligibility, must use tuition assistance.

FACT: **Employment Preference.** Spouses may lose reemployment preferences upon members' retirement and relocation.

PROPOSAL: Authorize **spouses** to retain **reemployment preference** upon retirement and relocation of servicemember, limited to one-year from the date of the members' retirement. (Ref: The Military Family Act of 1985; P.L. 99-145, Title VII, Sec. 806).

JUSTIFICATION: **Reemployment preference has been extended to spouses** of members being reassigned as result of permanent changes of station (PCS) orders. Such preference should be extended to spouses of members retiring and relocating with a one-year time limitation on a one-time only basis.

FACT: **Travel and Transportation.** No transportation is provided for the remains of spouses or surviving spouses to place of residence when such persons die while undergoing hospitalization in a Military Treatment Facility (MTF).

PROPOSAL: Authorize the **transportation of the remains of spouses** or **surviving spouses** to places of residence when their demise occurs while undergoing hospitalization at a Military Treatment Facility. (Ref: 10 U.S.C. 1490).

JUSTIFICATION: **Transportation of the remains** of retired members dying while hospitalized in an MTF has been authorized. It would be appropriate as well as humane to grant an identical authority to **spouses or surviving spouses** of retired members. The cost apparently would be insignificant.

FACT: **Military Retired Pay - Cost of Living Adjustments.** COLAs for military retired pay are not receiving the attention that should be given to this important issue by the Armed Services Committees.

PROPOSAL: The Armed Services Committees are encouraged **to play a greater role in determining COLAs** to military **retired pay** and not acquiesce to those committees having oversight of federal employees' issues. (Ref: 10 U.S.C. 1401a) (Also see Item 11 under JUSTIFICATION below)

JUSTIFICATION: Cost-of-living adjustments (COLAs) to military retired pay are determined by law (Title 10, U.S.C.), however, whether the COLA is to be effective or not seems to be at the discretion of the House Post Office and Civil Service Committee and its sister Senate Committee. Although military pay has been "married" to federal pay for some years, the two systems have slowly gone their separate ways. The Armed Services Committee needs to regain its full authority over this important issue with the military's retired members.

FACT: **Retired Servicemen's Family Protection Plan (RSFPP).** Many members are locked-in the plan and continue to have reductions made from their retired pay although they no longer have an eligible living beneficiary. Participants are not authorized to convert from RSFPP to SBP.

PROPOSAL: Amend current statutes that will authorize all members participating in the RSFPP to withdraw from participation whenever their beneficiary or beneficiaries predecease the member or are no longer eligible for the annuity under the plan and to convert to the Survivor Benefit Plan upon request. (Ref: 10 U.S.C. 1436(b)).

JUSTIFICATION: The RSFPP locked many participants into the plan long before the advent of the Survivor Benefit Plan (SBP). The latter, like the RSFPP, originally possessed a "once in - always in" provision but subsequently was amended to authorize withdrawal from participation if the member's spouse predeceases him or her or the member is divorced from the spouse. No such language exists in the RSFPP for those members locked in the plan by virtue of a choice made prior to the current SBP. Further, when SBP was created a small number of military retirees found it more financially beneficial to remain enrolled in RSFPP. Recognizing similar anomalies Congress, in creating the Improved Pension Program for veterans, allowed veterans to retain enrollment in the old veterans' pension program until it was to their financial advantage to change. Most veterans have now converted, however, a few still retain the old pension. In the case of RSFPP participants, conversion to the more advantageous SBP program was allowed only twice. Notwithstanding the predictable advantages of subsequent conversion as the SBP program improved and as RSFPP declined. Therefore NCOA believes it would be appropriate for Congress to allow conversion upon request to retired servicemembers. The cost would be negligible.

FACT: Military Retirement Fund. The FY 1989 Defense Authorization Act authorized the use of military retirement funds to pay annuities to retired judges of the Military Court of Appeals.

PROPOSAL: Repeal the statute that authorizes member-judges of the Court of Military Appeals to have access to the military retirement fund. (Ref: FY 1989 National Defense Authorization Act, Section 722).

JUSTIFICATION: The judges affected by the recent action of Congress sets a precedent that can have adverse effects on the military retirement fund. "The judges are not military but civilian federal workers." They contribute nothing to the military retirement fund and, therefore, should not be authorized access to that fund for retired compensation.

FACT: The FY 1990 federal budget may request no cost-of-living adjustment (COLA) to military retired pay and survivor benefits for the year beginning Dec. 1, 1989, and a one (1) percent reduction in annual COLAs thereafter.

PROPOSAL: To revoke any proposal to cancel the 1990 COLA to military retired pay and survivor benefits and the one (1) percent reduction in subsequent COLAs in 1991 and thereafter unless social security COLAs are given identical treatment.

JUSTIFICATION: The statute determining the COLA to military retired pay has been amended any number of times since the early 1960s. Each has reduced the amount of the COLA to the recipient. For survivor benefits, the law reads that reductions in a participating member's retired pay produces a survivor annuity that will be increased each time military retired pay is increased under 10 U.S.C. 1401a. Section 1401a states that the "Secretary (of Defense) shall increase the retired pay of each member and former member"... "effective on December 1 of each year." There is nothing in the statute that states that the COLA may be denied.

GUARD AND RESERVE

FACTS 1. There is an absence of affordable health care insurance for members of the guard and reserve.

2. The Coast Guard Reserve is not receiving the budgetary support it deserves to carry-out its assigned mission.

3. There is a need to amend the current point system whereby members of the reserve component can earn additional retirement points for performing non-regular service.

4. Commissioned officers with reserve service on or before May 31, 1958, may compute retired pay using that service as creditable time for retirement purposes. Enlisted personnel cannot.

PROPOSALS 1. Authorize DoD to report on the feasibility of including guard and reserve personnel in the non-subsidized group health insurance program now available to former military personnel and certain dependents (Ref: 32 CFR Part 104; FY 85 DoD Authorization Act).

2. Direct the Secretary of Defense to join with the Secretary of Transportation in presenting and supporting a more realistic budget for the Coast Guard Reserve.

3. Amend the current reserve component point system so that a member of that component may earn a greater number of points that can be computed to determine the amount of the member's retired pay. The proposed system recommended by the 6th Quadrennial Review of Military Compensation (6th QRMC), appears to be a fair and equitable solution. (Ref: 10 U.S.C. CH 67 and 6th QRMC, Vol. 1B, National Guard and Reserve Retirement, July 1988.)

4. Authorize retired enlisted personnel with reserve service on or before May 31, 1958, to recompute their retired pay to reflect such service as now afforded commissioned officers. (Ref: 10 U.S.C. 1401 and 1405.)

JUSTIFICATIONS 1. The absence of proper health care has an adverse effect on readiness, recruiting, and retention of guard and reserve personnel. Non-availability of affordable health insurance plus the possibility of catastrophic illness affects the servicemember's deployability. Lack of medical insurance coverage has resulted in general neglect of vital health care for these servicemembers and their families.

2. Previous years have seen a real loss of funds for the Coast Guard Reserve. The losses have cut into the muscle and bone of the Coast Guard's ability to prepare for critical national defense efforts. Continued nonsupport of the Coast Guard reserve will result in its inability to protect the nation's ports and coastal waters in time of military threat.

3. Many members of the reserve component are dedicated servicemembers who offer their additional time to provide improvements in unit operations, administration, and training, their own occupational speciality or military professionalism, or in relationships with the local civilian community. They are now, however, limited to a maximum of 60 retirement points per annum which may be attained through required periods of drill and inactive duty training periods. Dedicated members who volunteer for extra duties directly related to the reserve unit's mission should be able to accumulate at least 75 credible retirement points for each year of non-regular service.

4. There appears to be no reasonable cause surrounding the statute that permits commissioned and warrant officers to credit certain periods of reserve time when computing their retired pay while denying the entitlement to career enlisted personnel. It is past the time for Congress to rectify the situation and authorize enlisted personnel identical privileges.

TUESDAY, APRIL 25, 1989.

THE AMERICAN LEGION

WITNESS

MICHAEL DUGGAN, ASSISTANT DIRECTOR FOR NATIONAL SECURITY AND FOREIGN RELATIONS DIVISION, THE AMERICAN LEGION

INTRODUCTION

Mr. MURTHA. The next witness is from the American Legion. Mr. Duggan?

STATEMENT OF MR. DUGGAN

Mr. DUGGAN. Thank you, Mr. Chairman.

My name is Mike Duggan. I am the Assistant Director for the National Security and Foreign Relations Division within the American Legion.

Due to a death in his family, Mike Schlee regrets he is unable to make it.

We will submit our statement for the record, Mr. Chairman. We are pleased to appear before this august Subcommittee on behalf of the nearly three million members of the American Legion.

Our view of the defense of the United States is based on firsthand experience, much of it in combat. We know that the next war could be even more terrible than all the previous wars due to advances in technologies and weapon systems in use throughout the world.

We perhaps more than other citizens fervently hope that there won't be a next war.

In order to see this hope become a reality, it is absolutely imperative for us and our membership to hold the line on further cuts from funding appropriate for the defense of the United States.

Mr. Chairman, there are several issues we would like to discuss and point out this morning.

STRATEGIC DEFENSE INITIATIVE

The first issue concerns the Strategic Defense Initiative. We in the American Legion strongly believe that the United States should proceed deliberately and resolutely toward the continued deployment and development of the SDI system.

MODERNIZATION OF EQUIPMENT

As we know, the armed forces of these United States have seen a modernization effort which has been unprecedented since the mobilization prior to our entry into World War II. We would do well to remind ourselves, however, that the modernization is far from complete and much remains to be done. These modernization efforts should include such efforts as the upgrade of the M1A1 tank, the Bradley infantry fighting vehicle, and fighters. These modernization efforts must continue if our soldiers, sailors, Marines and airmen are to have the best available in modern tools for combat. They can deploy, they can fight, and they can win or they may impose the policy and will of the United States, but only if they are properly equipped and trained.

GUARD AND RESERVE FORCES

Also, since its beginning, the American Legion has always been a strong and fervent advocate of the citizen-soldier concept. We strongly support the necessary funding for the Reserve forces and the National Guard of the United States.

The total force is finally becoming a reality, but the dollars have certainly not been there.

PAY

We would also point out that pay comparability between the armed forces and the civilian sector is still a goal, but never quite a reality.

This country must afford to pay members of the military wages comparable to that earned in the civilian sector or be prepared to suffer the consequences of recruiting and retention shortfalls.

As we know, the DOD currently estimates that servicemen and women are paid approximately 11 percent below the civilian sector.

RECRUITING

The national unemployment rate is at its lowest level in the past 15 or 16 years. The Army Recruiting Command, for example, reported that during its first quarter of fiscal year 1989 that about 11 percent of its regular Army accessions were in the category 4 grouping, which is the lowest category for soldiers entering active duty.

The armed forces recruiting challenge is in attracting not only the essential quantity of recruits in all armed forces, in upholding its readiness posture, but also maintaining the quality of its force which are directly tied to such factors as the state of the economy and the quality of military life.

QUALITY OF LIFE

Families of military members are a major part of the quality of life equation.

Military families make an important contribution to the readiness posture of the armed forces.

Whether a good soldier remains in the service is often decided by the family's perception of whether an adequate quality of life is being provided by the service in exchange for the hardship and family separations and dangers attendant to military life.

Three of the most important of all quality-of-life programs include health care, as previously mentioned, retirement benefits, and, of course, the commissary system.

Experience has shown that when the quality of a military member and his family's life begin to erode, the resultant shifts in morale and exodus from the armed forces are followed by a significant drop in readiness.

SUMMARY

The American Legion urges the Congress to fully fund in these areas.

Mr. Chairman, attached to our written statement are relevant resolutions passed at our last national convention.

We would ask you to accept them in the spirit of their having been offered by concerned citizens who have seen what happens when foreign policy fails or when some foreign power perceives that the United States is unwilling or unready to defend its national interest.

Again, we thank you very much for this opportunity.

Mr. **Murtha**. Thank you very much.

Mr. McDade?

Mr. **McDade**. We thank you for an excellent statement.

[The statement of Mr. Schlee follows:]

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

STEVE A. ROBERTSON, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

and

G. MICHAEL SCHLEE, DIRECTOR
NATIONAL SECURITY and FOREIGN RELATIONS COMMISSIONS
THE AMERICAN LEGION

before the

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

on

FISCAL YEAR 1990 DEFENSE APPROPRIATION BILL

April 25, 1989

Mr. Chairman, we are pleased to appear before this subcommittee on behalf of the nearly 3 million members of The American Legion. Our view of the defense of the United States is based on first-hand experience, much of it in combat. We know that the next war will be even more terrible than all of the previous wars due to the advances in technologies of the weapons systems in use throughout the world. We, perhaps more than any other citizens, fervently hope that there won't be a next war. In order to see this hope become a reality, it is absolutely imperative for us to hold the line on further cuts from funding appropriated for the defense of our nation.

Despite the Soviet rhetoric on perestroika and glasnost, there have not been significant reductions in the Soviet arsenal of strategic or conventional offensive forces. We all know by now that the Soviet Union will not bargain meaningfully unless presented with strengths which represent threats, to their way of thinking. The Mutual and Balanced Force Reduction talks will go nowhere unless the strategic and conventional defenses of the United States and our NATO allies are modern and credible. Indeed, the Soviets agreed to a treaty limiting Intermediate Nuclear Arms only after the United States developed and deployed intermediate range systems which countered the weapons aimed by the Soviets at Western Europe.

The United States has made impressive gains over the past eight years in the quantity and quality of service members, weapons systems, and material provided to the Armed Forces. However, many of those gains appear to be at risk. The proposed zero percent growth of the FY 1990 defense budget represents only 5.5 percent of the gross national product and is projected to decline even further to about 5.0 percent of the GNP by FY 1995. That is well below the levels of the Kennedy and Eisenhower years; it is lower than at any time since the Vietnam War. The single most unfair thing we could do to ourselves, to our children and grandchildren, would be to not protect the nation. If we don't accomplish that, domestic spending will count for nothing. Indeed, the perception of the "hollow" Army of the 1970's is beginning to creep back into our vocabulary.

Much has been said and done to hold down spending in the name of reducing the federal budget deficit, and perhaps some of the deficit reductions should come from Defense. But, to paraphrase Herbert Stein, former Chairman of the Council of Economic Advisors, we can choose to defer deficit reduction or we can choose to defer the strengthening of the Armed Forces. A budget deficit will not put our national security at risk. A deficit in the strength of the Armed Forces could however put our national security at risk.

Mr. Chairman, there are several issues we would like to discuss with the subcommittee today. The first issue concerns the Strategic Defense Initiative. We in The American Legion believe that the United States should proceed deliberately and resolutely toward the continued development and deployment of this system. Former President Reagan's personal commitment to SDI led to the creation of a robust program which has been so successful that President Bush will have the option, during his presidency, of deploying strategic defenses. The fiscal 1990 budget, for the first time, moves part of the SDI program from the research phase and into "full scale development."

The technological spin-offs of SDI continue to be phenomenal. Galluim arsenide memory chips for computers, polydiacetylene for the manufacture of optical switches, research into electron beam transmission with the potential for military applications--none of these discoveries would have been possible this soon had the Strategic Defense Initiative been allowed to die in its infancy.

We are pleased that the Congress has exercised foresight four years ago in urging the Department of Defense to submit a two-year budget. In our view, this two-year budget proposal is clearly an idea whose time has come. At long last, program managers in the Pentagon will have time to manage their programs instead of worrying about executing the current budget, developing the next budget, and seeking supplemental funding for unforeseen circumstances all at the same time. More importantly, Congressional oversight would be better accommodated and more focused on real problems rather than constantly pursuing an annual authorization process. While we recognize that there may be some problems associated with this process, we also believe that bipartisan cooperation and leadership can overcome these problems and lead to a more efficiently managed defense establishment.

Mr. Chairman, as previously mentioned, the Armed Forces of the United States have seen a modernization effort unprecedented since the mobilization prior to our entry into World War II. We would do well to remind ourselves, however, that the modernization effort is far from complete, and much remains to be done. For example, the modification of the M-1A1 (with 120mm main gun) Abrams tank is not completed and only about half of our mechanized infantry battalions have the Bradley Fighting Vehicle. The long-awaited AH-64 Apache attack helicopter has not been fully deployed to Army units in the field. Not all Air Force squadrons have received F-16 and F-15 aircraft. Only about one-third of the submarine force is composed of the latest attack subs, and our carriers are still awaiting the receipt of F/A-18 fighter attack aircraft. These modernization efforts must continue if our soldiers, sailors, marines and airmen are to have the best available in modern tools for combat. They can deploy, fight and win, or impose the policy and will of the United States, only if they are properly equipped and trained.

It is for these reasons, Mr. Chairman, that The American Legion urges the modernization of conventional forces, the continued development of U.S. strategic forces, and advocates the expeditious deployment of the MX Peacekeeper missile; it supports the continued upgrade of the B-1B Bomber and the development and delivery of the B-2 Stealth Bomber in the early 1990's. The American Legion strongly endorses the earliest possible attainment and retention of a 15-aircraft carrier Battle Group

Navy. With its vital global missions of patrolling international sea lanes and retaining the capacity to project seapower and airpower, the United States Navy requires a minimum of 15 operational aircraft carrier battle groups.

Some critics say that these new systems won't work; they are too complicated to maintain, that the troops are not smart enough to use them, that they are too expensive, and cheaper alternatives are available if only the Services would spend more money investigating the alternatives.

Ask the soldiers, sailors, marines or airmen who will be expected to fight with these weapons systems. Almost uniformly they will tell you that the new equipment is better by an order of magnitude than the older systems; that the new equipment is easier to maintain; and their confidence in their ability to fight and win on the battlefield or on the high seas or in the air is higher than it has ever been. In the past three years, members of The American Legion National Security Commission have travelled to such installations as Fort Knox, Hill Air Force Base, Pensacola Naval Air Station and Fort Campbell and these members can dispute the critics. They have seen the weapons systems demonstrated and have broken bread with the young servicemen who are in training to use the new equipment on the battlefield. All of these modernization efforts, the M-1A1 tank, the Bradley Fighting Vehicle, the F-16 fighter, represent significant and substantial increases in the ability of our Armed Forces to fight. We also support improvements in the C3I systems, chemical warefare defense and enhanced U.S. strategic mobility improvements.

Since its beginning, The American Legion has been a strong advocate of the citizen soldier concept. We strongly support the necessary funding for the Reserve Forces and National Guard. The Total Force is a reality but the dollars must be there.

We note with considerable interest, Mr. Chairman, that the President's budget contains a 3.6% pay increase for the Armed Forces. We would point out that pay comparability between the Armed Forces and the civilian sector is still a goal, not a reality. This country must pay members of the military wages comparable to that earned in the civilian sector or suffer the consequences of recruiting and retention shortfalls. The Department of Defense currently estimates that servicemen and women are paid approximately 11% below the civilian sector. As we are aware, the national unemployment rate is at its lowest level in the last 15 years. The Army Recruiting Command reported that during the first quarter of 1989 11% of its Regular Army accessions were in the Category IV group, the lowest category of soldiers entering Active Duty. The Army's recruiting challenges in attracting not only the essential quantity of soldiers in upholding its readiness posture but maintaining the quality of its force are directly tied to such factors as the state of the economy and the quality of military life. Indeed, servicemen and women are no different than their civilian counterparts when it comes to career decisions, and they react just as negatively when real or perceived benefits are changed or eroded by inflation or neglect.

Comparable military compensation, as important as it is, is only one factor as to what attracts and retains quality service members in the Armed Forces. Families of military members are a major part of the quality of life equation. As such, military families make an important contribution to the readiness posture of the Armed Forces. Whether a good soldier remains in the Service is often decided by the family's perception of whether an adequate quality of life is being provided by the Service in exchange for the hardship and family separations attendant to military life. Three of the most important of all quality of life programs are health care, retirement benefits and commissaries.

We are concerned with the projection that if a war started today, the Armed Forces would be short hundreds of physicians and, literally thousands of nurses. This gap must be corrected. It not only translates into potentially increased mortality rates among battle casualties, but also into a serious degradation of medical care for active duty dependents and military retirees and their dependents. We are very concerned with the proposed directive which would force the Department of Defense to charge and collect "user fees" for outpatient care, prescriptions, and hospital admissions from Active Duty dependents, military retirees and their dependents. OMB apparently feels that these fees would eliminate or minimize visits to military emergency rooms and clinics by those "who are not really sick."

Experience has shown that when the quality of a military member and his family's life have eroded, the resultant shifts in morale and exodus from the service are inevitably followed by a significant drop in readiness. The American Legion urges the Congress to fully fund these areas.

Mr. Chairman, attached to this statement are relevant resolutions passed by the last National Convention of The American Legion. We would ask you to accept them in the spirit of their having been offered by concerned citizens who have seen what happens when foreign policy fails, or when some foreign power perceives that the United States is unwilling, or unready, to defend its national interests. We thank you for this opportunity.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 42

SUBJECT: MILITARY PAY AND QUALITY OF LIFE

COMMITTEE: NATIONAL SECURITY

WHEREAS, People are the foundation of our Nation's fighting force; and

WHEREAS, Without highly qualified, dedicated men and women, even the most sophisticated weaponry will not provide the deterrent force necessary for this Nation to remain at peace; and

WHEREAS, Military pay must be reasonably comparable to pay available in the private sector if the Armed Services hope to compete for quality volunteers and retain an experienced military force for the long term; and

WHEREAS, While pay raises have kept pace with inflation, they have not maintained comparable wage growth with the private sector; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that Congress must restore and maintain military pay comparability, or we may, in the long run, see an exodus of those with highly transferable skills and find it extremely difficult to recruit quality personnel; and, be it further

RESOLVED, That Congress must strive to improve those "quality of life" elements which they can influence, such as: improving Aviation Career Incentive Pay, improving medical and dental services, maintaining commissary and exchange store privileges, preserving an attractive retirement system, and maintaining favorable tax treatment of allowances.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 47

SUBJECT: MILITARY COMMISSARY OPERATIONS

COMMITTEE: NATIONAL SECURITY

WHEREAS, The President's Private Sector Survey on Cost Control has recommended that the Department of Defense should terminate the operation of the commissaries in the continental United States except in areas where adequate commercial food stores are not available; and

WHEREAS, The DOD Third Quadrennial Review of Military Compensation (1976) indicated that the value perceived by the service member substantially outweighs the government costs; therefore, commissaries provide physic income that far exceeds the cost; and

WHEREAS, The Joint Chiefs of Staff on January 13, 1983, recommended that the President resist any attempt to alter military retirement to include benefits; and

WHEREAS, Reduced commissary support would undermine the morale of married careerists which is a key element of military preparedness, it would also be devastating to (1) junior enlisted families; (2) widows; and (3) the 100 percent service-connected disabled veterans eligible for commissary patronage; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that we strongly support retention of the military commissary system and urge the Administration and the Congress to provide necessary authorization and funding to allow the system to be preserved as an institutional support for our active duty military, military retirees, 100 percent service-connected disabled veterans and widows authorized commissary privileges.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 48

SUBJECT: TOTAL FORCE POLICY

COMMITTEE: NATIONAL SECURITY

WHEREAS, Under the Total Force Policy, Reserve Components are a key element of the total force; and

WHEREAS, In the event of war, Reserve Components would deploy alongside Active Component units, their missions demanding that they be as capable and ready as their active-duty counterparts; and

WHEREAS, It is necessary that our Reserve Components be equipped with the latest weapon systems on a "first-to-fight, first to be equipped" basis if they are to be effective; and

WHEREAS, Current programs call for increased manning, training and readiness; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that Congress be called upon to authorize and fund the most modern weapons systems for use by the Reserve Components; and, be it further

RESOLVED, That we urge Congress to authorize and fund the Reserve Components so as to provide sufficient recruiting and retention incentives to fully man units at the authorized wartime levels in order that they may accomplish their missions in the event of war.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 115

SUBJECT: NATIONAL GUARD AND AIR NATIONAL GUARD

COMMITTEE: NATIONAL SECURITY

WHEREAS, The United States Constitution provided that "the President shall be Commander-in-Chief of the Army and Navy of the United States, and of the militia of the several States...;" and

WHEREAS, The President and the Department of Defense have deployed National Guard and Reserve components of the military departments to 40 friendly nations for training since 1971 under the "Total Force Concept" initiated in 1971 by the Department of Defense and approved by Congress; and

WHEREAS, Overseas Deployment of Training (ODT) is designed to give Guard and Reserve Units better training under a variety of conditions, climates and environments and thereby improve their readiness for the defense of the United States if such should become necessary. At the same time, this training under ODT improves the opportunity for Guard members to learn techniques of survival and personal safety under both combatant and non-combatant situations; and

WHEREAS, The National Guard and Air National Guard have a long and illustrious history of serving the States and the Nation in war and peace, and continue a tradition of militia defense started more than 300 years ago in this country; and

WHEREAS, Most of the nations of Central America are friendly to the United States and welcome our efforts to help establish peaceful relationships in the region and to democratize all Central American countries; and

WHEREAS, Nicaragua's belligerence toward its neighbors and its effort to establish a communist totalitarian form of government similar to Cuba's, threatens the security of Central America and the United States. The Sandinista government's announcement that in plans to expand its armed forces to 600,000 is stark proof on Nicaragua's threats to peace. Supported by Russia and Cuba, Nicaragua is indeed a cause for alarm for all freedom-loving people in the Western Hemisphere; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, fully supports the continued training of units of the National Guard and Air Guard in friendly, allied countries, including Honduras and other Central American democracies that issue invitation to the Guard to train in their areas.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 176
SUBJECT: THE NUCLEAR FORCE STRUCTURE
COMMITTEE: NATIONAL SECURITY

WHEREAS, The underlying principle of national security policy is to deter war; and

WHEREAS, The Soviets have engaged in a steady build-up of strategic nuclear weapons so that today the Soviet land based force consists of approximately 1400 launchers carrying nearly 6400 warheads over three times those of the United States and despite this significant advantage, Soviet modernization and expansion continues; and

WHEREAS, The Soviets are modernizing their submarine-launch ballistic missiles and their nuclear powered ballistic missile submarines and the Soviets are producing three types of strategic bombers and continue improvements on all of these offensive forces; and

WHEREAS, In developing their strategic nuclear offensive capability, the Soviets have emphasized their intercontinental missiles (ICBMs), and have modernized that force, stressing improved readiness, greater throw-weight, increased accuracy, better command and control; and

WHEREAS, The Soviets have also increased the number of re-entry vehicles and have provided hardened silos to improve survivability and have modernized surface-to-air missiles, improved radar and fighter aircraft capability and improved ballistic missile defense around Moscow and continue to expand and modernize their fighter aircraft force and are spending vast sums on strategic offensive and defensive forces; and

WHEREAS, If the United States TRIAD of ICBMs, submarine launch ballistic missiles and bombers, are to provide a viable and powerful deterrent, continued United States modernization is required; and

WHEREAS, The United States has embarked on an ICBM modernization program deploying the Peacekeeper Missile and developing a single warhead small ICBM deployed on hardened mobile launchers, but because of budget constraints the Small

Intercontinental Ballistic Missiles have been terminated with only minimum funding to allow the next Administration the option to restart the Small ICBM program; and

WHEREAS, A force of penetrating bombers employing long range cruise missiles, gravity bombs and short range attack missiles, precludes the Soviet planning from optimizing defensive forces against a single threat and requires massive allocation of resources to defense; and the Air Force Bomber Modernization Program is designed to counter existing projects Soviet defense improvements; and

WHEREAS, A modernized TRIAD will complicate Soviet attack planning to the point that no Soviet planner could count on a successful attack on the Air Force makes major contribution to this viability by modernizing its two components, namely land based ICBMs and manned strategic bombers; and

WHEREAS, Continued exploration of other areas of advanced ICBM technology such as maneuvering re-entry vehicles, earth penetrating weapons and future generation penetration aids is of vital importance to our national defense; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that The American Legion supports as essential elements in the TRIAD the modernization of the Intercontinental ballistic missile, including the improvement and further additional production and development of the Peacekeeper Missile System, the restart of the Small ICBM Program, the maintenance and improvement of the Minuteman capability including improvements on responsiveness, accuracy, penetration aids upgrade and improved reliability through repair of parts and facilities, the development of new technologies directed toward development of penetration aids systems for each of the said ICBMs and a bomber modernization program including the modification of the B52, the further development and improvement of the B-1B Bomber, and the B-2 Stealth Bomber; and, be it further

RESOLVED, That together with the modernization and development of these strategic Air Force Programs that the United States continue to develop its nuclear force structure necessary to deter the Soviet Union while minimizing destruction to the United States if attacked and to continue advanced research efforts so as to enhance the survivability, penetrability and performance of United States ICBMs.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 180

SUBJECT: STRATEGIC BOMBER FORCE

COMMITTEE: NATIONAL SECURITY

WHEREAS, Over the past several decades, the modernization of the U.S. Strategic forces had not kept pace with the relentless growth of Soviet nuclear capabilities, and our deterrent posture has eroded so that we now face a formidable challenge; and

WHEREAS, An announced comprehensive plan for modernizing our strategic forces includes upgrading the B-1B Bomber in the 1980's while we pursue vigorous development of the B-2 Stealth Bomber for deployment during the 1990's; and

WHEREAS, The B-1B Bomber is a multi-role bomber capable of performing both nuclear and conventional delivery missions that can function well into the 21st Century, and when the B-2 is deployed it will serve in a mixed role as a cruise missile carrier and penetrator; its combination of high speed, low altitude tactics, and electronic countermeasures and low radar cross section makes the B-1B an effective penetrator; and although the B-1B program remains within the certified $20.5 billion (FY 81 dollars) cost ceiling, the program funding has been threatened by the Congress and those funds must be maintained to complete and upgrade the work on the B-1B; and

WHEREAS, The B-2 is a long range strategic bomber which will incorporate extensive low observable technology making detection by enemy defenses difficult and will be able to negate Soviet surface-to-air missiles and the advancements of the Soviets in lookdown/shootdown interceptors; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that The American Legion supports the continued upgrade of the B-1B Bomber systems, including the funding of additional development and demonstration of the aircraft's operational capability and the continued development of its defense system followed by the introduction of the B-2 Stealth Bomber with funding to be provided for the development and delivery of the said B-2 Stealth Bomber in the early 1990's.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 181

SUBJECT: PEACEKEEPER MISSILE SYSTEM

COMMITTEE: NATIONAL SECURITY

WHEREAS, The Peacekeeper Missile System is the foundation of the Air Force ICBM Modernization Program; and

WHEREAS, The Scowcroft Commission recommended deploying 100 Peacekeeper Missiles in existing Minuteman Silos to counter the Soviet ability to destroy hardened land based targets, to demonstrate U.S. national will and to provide incentive for arms control; and

WHEREAS, The Congress has approve deployment of 50 Peacekeeper Missiles in existing Minuteman Silos and Congress further directed that deployment of missiles beyond 50 would be subject to Congressional approval of a more survivable basing mode; and

WHEREAS, On the basis of extensive studies the President has selected the Rail-Garrison mode for development; and

WHEREAS, The Air Force has concluded that the Rail-Garrison mode will meet the surviability concerns of Congress as well as the security and deterrent needs of the United States for today and well into the future; and

WHEREAS, The deployment of the Peacekeeper day-to-day in secure areas and dispersing it during times of increased tension, will diversify our strategic forces, enhance deterrence and promote stability; and

WHEREAS, The deployment of the said Peacekeeper Missiles is necessary to encourage the Soviets to engage seriously in negotiating strategic arms reduction; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that The American Legion supports the continued testing and evaluation of the Peacekeeper Missile System, the funding of additional missiles, and the construction of facilities and the development of the Rail-Garrison basing option, and the continued production and deployment of an adequate number of said Peacekeeper Missiles.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 263

SUBJECT: STRATEGIC DEFENSE INITIATIVE

COMMITTEE: NATIONAL SECURITY

WHEREAS, The U.S. has successfully deterred nuclear attack for 40 years through the threat of retaliation, but new technologies may offer improved deterrence through the possibility of the addition of defensive measures against missile attack; and

WHEREAS, A defense designed to intercept missiles, as opposed to a policy of unlimited nuclear retaliation, adheres to the principles of proportionality and discrimination, destroying only enemy nuclear weapons and imposing no harm on innocent, noncombatant life; and

WHEREAS, Even a partially effective strategic defense system would proportionately decrease the effectiveness of Soviet nuclear forces, further contributing to deterrence; and

WHEREAS, Current investment in the Strategic Defense Initiative represents only about 1% of the DOD budget; and

WHEREAS, The Strategic Defense Initiative has compelled the Soviet Union to return to the bargaining table and has spurred concessions from the Soviet Union in arms control negotiations; and

WHEREAS, The Soviet Union has been quietly, but purposefully, developing and deploying elements of their own strategic defense, including anti-ballistic missiles, ground-based lasers and phased-array radars; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that the U.S. proceed deliberately and resolutely toward the development and deployment of a strategic defense system; and, be it further

RESOLVED, That as elements of a strategic defense system, such as ground-based lasers or kinetic kill vehicles, achieve mature development, they should be deployed; and, be it further

RESOLVED, That the Strategic Defense Initiative should not be relinquished in order to achieve negotiation concessions from the Soviet Union.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO : 265

SUBJECT: MILITARY RETIREMENT SYSTEM (COLA)

COMMITTEE: NATIONAL SECURITY

WHEREAS, The Gramm-Rudman-Hollings deficit reduction bill eliminated cost-of-living adjustments (COLA) for retired military and civilian personnel for Fiscal 1986; and

WHEREAS, The Administration's budget request for Fiscal 1987 recommended no cost-of-living adjustments (COLA); and

WHEREAS, Since 1958, the Congress has slowly developed "an automatic mechanism, which would, in the last analysis, guarantee every military retired member that the purchasing power of retired pay to which he was entitled at the time of retirement would not, at any time in the future, be eroded by subsequent increases in consumer prices," (HASC Committee Print #17, Title 27, U.S. Code, May 1982); and

WHEREAS, Since then reductions in the frequency of the adjustment, a series of delays and the implementation of the Gramm-Rudman-Hollings deficit reduction Act have not supported this guarantee; and WHEREAS, If the no-COLA provision remains in effect for the duration of the Gramm-Rudman-Hollings bill (5 years), the real value of retired pay would shrink some 20 percent; and

WHEREAS, The perceptions produced by the continued attacks on military retirement pay have created some disturbing trends in retention rates of retirement-eligible personnel; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that Congress preserve the guarantee of purchasing power for retired military and civilian personnel by insuring that future cost-of-living adjustments are consistent with inflation factors.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 307

SUBJECT: MILITARY INTERDICTION OF ILLEGAL DRUG TRAFFIC

COMMITTEE: NATIONAL SECURITY

WHEREAS, Military priority in the United States should be the defense of our country; and

WHEREAS, The armed forces must continues to maintain the delicate balance between providing assistance for drug traffic interdictions and assuring our national military readiness; and

WHEREAS, A congressional proposal which, if enacted into law, would require the President to deploy the armed forces to stop the flow of narcotics into the United States; and

WHEREAS, This effort to get the Department of Defense more involved comes at a time when the Coast Guard, the force best suited and equipped for drug interdiction, has had its budget severely cut, forcing a drastic reduction of personnel for drug enforcement and patrol; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that it supports the continuation of limited assistance by the Department of Defense to the Coast Guard and other law enforcement agencies for drug traffic interdiction, but it strongly opposes the deployment of armed forces with primary mission of drug law enforcement; and, be it further

RESOLVED, That The American Legion supports increased funding of the Coast Guard for its drug enforcement mission and effectiveness.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 353

SUBJECT: MODERNIZE THE U.S. NAVY

COMMITTEE: NATIONAL SECURITY

WHEREAS, Water covers three quarters of the world, and the United States is an "island continent" washed by the shores of the Atlantic and Pacific Oceans; and

WHEREAS, The Soviet Navy's postwar expansion has created an offense oriented blue water force as a major element in the Soviet Union's global reach that supports expanding Soviet influence from Nicaragua to Vietnam to Ethiopia; and

WHEREAS, Soviet use of sea power has allowed them to challenge U.S. influence in areas of the world most critical to the security of the United States; and

WHEREAS, Our national survival and the security of our allies depend on the ability of the United Stats to maintain sea superiority in order to foster the strategic sealift capability, power projection capability and the strategic combat capability of the U.S. Navy; and

WHEREAS, There is under construction and fully funded all of the ships necessary to attain a 600 ship Navy centered on 15 carrier battle groups, four battleship surface action groups, and 100 nuclear-powered attack submarines; and

WHEREAS, To sustain the 600 ship Navy, a "sustaining rate" of an average of 20 ships per year in new construction will be required; and

WHEREAS, On the 75th Anniversary of Naval Aviation, the U.S. Navy and U.S. Marine Corps have superbly shown the United States' ability to project power, when and where needed to uphold U.S. Foreign Policy; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that we support current and future Defense budget to reflect a "sustaining rate" of an average of 20 ships; and, be it further

RESOLVED, That we support the continuing modernization of Navy and Marine Corps aircraft including the F-14 Tomcat, F/A-18 Hornet, A-6 Intruder, AV-8B Harrier, P-3C Orion, CH/Mh-53E Super Stallion, V-22 Osprey, and E-6A TACAMO.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 367
SUBJECT: STRATEGIC NUCLEAR POLICY
COMMITTEE: NATIONAL SECURITY

WHEREAS, The United States has considered that global nuclear war would essentially spell the destruction of civilization, a view which led us in the 1960s and 1970s to accept a steady erosion of our military strategic strength through successive enunciated policies which only confirmed our diminishing relative strength; and

WHEREAS, The continued acceptance of such a policy would lead us to a position of inferior strategic strength, vis-a-vis the Soviet Union, by the mid-80s; and

WHEREAS, A strategic policy which would hold our own citizens hostages to nuclear attack in order to deter aggression lacks credibility because of the Soviets recently developed more accurate and powerful MIRVed ICBMs, having first strike capability; and

WHEREAS, The Soviet Union strategists have long developed their military war machine from the concept of "winning" a nuclear war; and

WHEREAS, In developing their strategic nuclear offensive capability, the Soviets have emphasized their intercontinental ballistic missiles (ICBMs), and have been modernizing that force, stressing improved readiness, greater throw-weight, increased accuracy, better command and control; and

WHEREAS, They have also increased the number of re-entry vehicles and provided hardened silos to improve survivability; and

WHEREAS, There is evidence from the budgets submitted to the Congress that the Administration is attempting to provide our armed forces with improved strategic capabilities to counter the Soviet advances; and

WHEREAS, The development of new capabilities and deployment of anti-ballistic missiles (ABMs) including laser weapons and other scientific breakthroughs, would enhance the survivability of our ICBMs, strategic bomber bases, defense communication sites, military facilities and the civilian population; and

WHEREAS, The improvement of our manned and unmanned capability to intercept and destroy Soviet aircraft and cruise missiles would appreciably add to the deterrence of enemy attack; now, therefore be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that we continue to pursue a new strategic nuclear policy which will lead the U.S. to develop the needed strength to destroy Soviet strategic offensive capabilities, rather than to destroy soft targets; and, be it further

RESOLVED, That together with the development of these new capabilities that the U.S. develop the force structure necessary to deter the Soviet Union, while minimizing destruction to the United States, if attacked.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 370

SUBJECT: MODERNIZE THE U.S. AIR FORCE

COMMITTEE: NATIONAL SECURITY

WHEREAS, The free world has learned a very hard lesson; weakness and appeasement lead not to peace, but to war; and

WHEREAS, To keep the peace, we have to maintain strong deterrent forces while we seek equitable and verifiable arms reductions agreements with the Soviet Union; and

WHEREAS, Modernization of our strategic offensive forces was generally deferred during the 1970's; and

WHEREAS, The Soviets have modernized their ICBM forces and have also deployed over 440 SS-20 intermediate range nuclear missiles, of which two-thirds can cover all of Europe and the Middle East; and

WHEREAS, To maintain credible deterrence and a stable nuclear balance, the President, in October 1981, directed the U.S.Air Force to undertake the first comprehensive modernization of our strategic forces since they were built in the 1950's and 1960's; and

WHEREAS, Seventeen major studies since 1974 have found, in every case, that airlift requirements far exceed capabilities; and

WHEREAS, The Congressionally Mandated Mobility Study (CMMS)has concluded programmed mobility capability could not meet current or project requirements, resulting in the CMMS recommending an Air Force capable of providing a minimum objective of 66 million tons per day (MTM/D) of intertheater airlift capability with one-half of the additional forces outsized capability; and

WHEREAS, The only means available to the ground combat forces to deploy and sustain their power is either by air or water; with airlift being the only means likely to have any significant effect; and

WHEREAS, Due to steady growth in Soviet military power and steady improvement in the combat capabilities of their tactical forces, the USAF needs to continue to modernize and expand its own tactical air force; and

WHEREAS, The highest priority for our general purpose forces is to improve readiness and sustainability; and

WHEREAS, Since FY 81 the USAF has more than doubled funding for munitions and spare parts and will continue to fund spares and munitions at the highest possible level; and

WHEREAS, The Soviets are producing approximately 1000 modern tactical fighters per year in contrast with our requested 264; and the Soviet tactical and theater air fores consists of over 6,000 fighters, interceptors, fighterbombers, and medium bombers; and

WHEREAS, The first consideration in employing aerospace forces is gaining and maintaining freedom of action to conduct operations against enemy forces; and

WHEREAS, We cannot expect to achieve numerical superiority against Soviet forces, even with the cooperation of allies; and

WHEREAS, We must exploit our current technological leadership to maintain and improve our qualitative advantage in fighter aircraft, engines, weapon systems and missiles; and

WHEREAS, In space, both the Soviets and the U.S. are dependent largely on satellites for warning, communications, and command and control of their forces world-wide; the Soviets have launched four or five times as many satellites over the past decade as the United States and have the world's only operational space weapons system; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that we support:

(1) As a first priority, the USAF's efforts to update strategic modernization. With timely acquisition of 100 Peacekeeper missiles, development of the small ICBM, and deployment and development of a mixed Strategic Bomber forces of B-1B's and ATB's; and

(2) The USAF's greater emphasis and higher priority on global airlift capabilities with deployment and development of the C-5B and C-17 aircraft at the earliest possible time; and

(3) The USAF's continuing goal to adequately fund readiness items and build toward required sustainability levels; and

(4) The USAF's efforts to improve the effectiveness and quantity of its tactical fighter forces available for air-to-air and air-to-ground combat, by achieving the 40 TFW goal by early 1990; development and deployment of the Advanced Tactical Fighter, Advanced Medium Range Air-to-Air Missile (AMRAAM) and the Low Altitude Navigation and Targeting System for Night (LATERN) weapon systems; and

(5) The USAF's continuing effort in support of national priorities in space and the promising Strategic Defense Initiative; and

(6) The USAF's continued work to improve vitally important tactical Command, Control, Communications and Intelligence (C31), in conjunction with the other Services, particularly the Army and Marine Corps; and

(7) The USAF's close coordination with the other services to avoid duplicating assigned missions.

SEVENTIETH NATIONAL CONVENTION
OF
THE AMERICAN LEGION
LOUISVILLE, KENTUCKY
SEPTEMBER 6, 7, 8, 1988

RESOLUTION NO: 512

SUBJECT: 15 CARRIER BATTLE GROUP NAVY

COMMITTEE: NATIONAL SECURITY

WHEREAS, The Navy is tasked to meet a wide variety of far-flung national commitments and U.S. guarantees and presence are often secured only by Naval forces, particularly in the Middle East; and

WHEREAS, The Joint Chiefs of Staff have determined that the U.S. needs more than 20 fully structured, manned and supported carrier battle groups to execute the national military strategy with a reasonable assurance of success; and

WHEREAS, A 15 carrier battle group Navy is the force level endorsed by the President and the 97th, 98th, and 99th Congress as necessary to carry out our global peacetime commitments; and

WHEREAS, Based on a rigorous assessment of the global threat to national security objectives, our defense strategy requires 15 deployable carrier battle groups as a peacetime minimum. Any reduction in total carriers available immediately translates to increased operational/personnel tempo, which has historically had an adverse impact on personnel retention and accelerated the degradation in the material condition of ships and aircraft; and

WHEREAS, The 14 carrier battle groups we have today have demonstrated time and time again that they are the single most visible and tangible evidence that the national interest of the United States will be protected around the world. Historically the Navy has been the force of choice for every administration since World War II to protect our vital interests and meet our allied commitments. Our current military operations in the Persian Gulf demonstrate that a maritime superpower faced with a wide range of global interests and a shortage of overseas basing opportunities must look to its Navy to execute national security policy in peacetime and to be on the cutting edge in conflict; and

WHEREAS, To reduce the number of our aircraft carriers would necessitate reducing our commitments, i.e., changing our national security objectives, or finding another way to protect our national interests. No administration, regardless of political persuasion, has been able to solve this particular problem with other types of force; and

WHEREAS, The aircraft carrier battle group will remain a critical element in our ability to meet U.S. national security requirements well into the 21st century; now, therefore, be it

RESOLVED, By The American Legion in National Convention assembled in Louisville, Kentucky, September 6, 7, 8, 1988, that we strongly endorse and support the earliest possible attainment of the President's goal of 15 deployable aircraft carriers as the absolute minimum number required to ensure U.S. on-scene response to world trouble spots is timely and presents the credible military force in support of our essential national interests; and, be it further

RESOLVED, That the early retirement of one or more of our oldest carriers is an imprudent sacrifice of a major military capability to obtain marginal short-term cost savings.

NATIONAL EXECUTIVE COMMITTEE MEETING
OF
THE AMERICAN LEGION
INDIANAPOLIS, INDIANA
OCTOBER 12-13, 1988

RESOLUTION NO.: 10
SUBJECT: CHAMPUS AVAILABILITY
COMMITTEE: NATIONAL SECURITY

WHEREAS, The federal government established CHAMPUS to assist military personnel and their dependents defray the cost of medical care; and

WHEREAS, The cost of medical care continues to increase; and

WHEREAS, Military retirees and their dependents are covered by CHAMPUS until age 65; and

WHEREAS, At age 65 military retirees and their dependents are no longer covered by CHAMPUS, but are then covered by Medicare; and

WHEREAS, Most retirees are on a fixed income; and

WHEREAS, Medicare covers much less than CHAMPUS and must be supplemented by additional insurance; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 12-13, 1988, That The American Legion supports Legislation for the continuation of CHAMPUS to all eligible Veterans and their dependents after the age of 65.

NATIONAL EXECUTIVE COMMITTEE MEETING
OF
THE AMERICAN LEGION
INDIANAPOLIS, INDIANA
OCTOBER 12-13, 1988

RESOLUTION NO.: 11

SUBJECT: MILITARY MEDICAL CARE

COMMITTEE: NATIONAL SECURITY

WHEREAS, Department of Defense Military installations provide medication and medical services to active duty personnel, their dependents and military retirees and their dependents as recommended by military or private doctors; and

WHEREAS, Medical support for these beneficiaries is woefully inadequate; and

WHEREAS, Some installations have eliminated certain medications for retirees and their dependents while continuing the same medication to active duty personnel based on funding considerations; and

WHEREAS, A nonavailability statement authorizes the beneficiary to utilize local civilian medical facilities and claim renumeration for costs incurred by using the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS); and

WHEREAS, CHAMPUS limitations place a heavy burden on service personnel, and many must accept heavy debts to secure the medical care their families need; and

WHEREAS, CHAMPUS has three major differences from commercial medical insurance programs:

> 1) CHAMPUS limits procedural payments to no more than what eight out of ten facilities in the area charge for those procedures and obtaining current information used to establish present rates is very difficult.
>
> 2) CHAMPUS requires a deductible of $50.00 to $100.00.
>
> 3) CHAMPUS requires 20 to 25 percent coinsurance to be borne by the recipient. However, in a distinct difference with commercial major medical coverage, there is no limit to the recipient's upper liability; and

WHEREAS, The net effect of these CHAMPUS regulations is to cause extended medical care to bankrupt many military families, while others decline to seek treatment because of these regulations; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 12-13, 1988, That The American Legion urges Congressional action to focus attention by the Department of Defense and its military departments on the needs of military families and retirees stationed throughout the United States and around the world; and, be it further

RESOLVED, That Congress should fully fund Armed Forces medical facilities to the extent necessary to meet the U.S. Government responsibility to provide adequate medical care to active duty service people, their dependents, and military retirees and their dependents.

TUESDAY, APRIL 25, 1989.

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

WITNESS

LT. GEN. LA VERN E. WEBER, EXECUTIVE DIRECTOR, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

INTRODUCTION

Mr. **MURTHA**. The next witness is General La Vern Weber of the National Guard Association. General Weber?

STATEMENT OF GENERAL WEBER

General **WEBER**. Good morning, sir.

Mr. Chairman, Mr. McDade, the National Guard Association is most grateful for the opportunity to appear this morning and to surface two issues that we would like to emphasize to the committee. We are most appreciative of the continuing support of this prestigious committee. It has done real well in supporting the Army and the Air National Guard and we appreciate it.

In the interest of time, I will constrain my comments to two topics.

BUDGET REDUCTIONS IN NATIONAL GUARD

Our main concern is the growing possibility that current budget and deficit reduction decisions may lead to actions that will cause turbulence in Guard force structure and degrade the ability of the National Guard to fully meet its Federal mission requirements.

Last year the Air Force budget included a reduction in the number of aircraft and tactical fighter and tactical airlift units in both the Air National Guard and the Air Force Reserve as a means of saving dollars.

The Army has also announced approval of an aviation modernization plan which will begin reducing equipment and manpower in aviation units prior to establishing a schedule for delivery of modern aircraft into our units.

Congress and especially this committee questioned the cost effectiveness of the Air Force applying cuts to current Guard and Reserve combat ready units and the funding for fiscal year 1989 was restored and the units have been retained at their level of manning and equipage.

The fiscal year 1990 Air Force budget contains cuts which will continue the reduction in the size of tactical fighter and tactical airlift and several other units.

Although details still are not available, there were indications that the Army plans to proceed with its Army aviation modernization force reduction and the best information that I can receive is that the number of helicopters removed from the Army National Guard will be in the vicinity of a thousand helicopters.

REDUCTIONS IN FORCE

We recognize that reductions are required to meet budget limitations and that reductions may include force structure. We are also aware that many in Congress and in the Administration are calling for a comprehensive review of current force structure, overseas basing and a mix of active Guard and Reserve forces.

Therefore, we seriously question the benefits in cost effectiveness and combat effectiveness of reducing Guard and Reserve forces at this time.

Until a review of total force requirements and force mix options is completed, we believe we should at least maintain the combat forces in the Guard and Reserve at the current levels.

It would be extremely disruptive in both manpower and combat capability to reduce units now and then decide to rebuild or expand those same units two years from now.

Indeed, some Members of Congress and some members of the new Administration have suggested moving additional structure from the active components to the Guard and the Reserve.

Should that decision be made, there are some opportunities especially in the Air Guard to robust units to provide for the retention of combat forces at a very low cost. By robusting, we would suggest that our tactical fighter-type units be equipped with 24 aircraft and our tactical air life at a level of 12 aircraft.

We are, therefore, asking that the Air National Guard cuts in the fiscal year 1990 budget be restored until these decisions are made and the cost, Mr. Chairman, of retaining the present levels of equipage and manpower in the Air National Guard and the Air Force Reserve is $37 million.

There are several states as well on the Army Guard side that can expand their structure in that some are extremely heavily over strength. I bring to your attention the State of Louisiana. It is at 120 percent strength. So they can, in fact, absorb some units by selection at a limited cost.

The other issue I want to mention is that of resource shortages.

We continue to see new units, new missions, and new training requirements being given to the Guard without the full resources necessary to meet war-time training requirements and this is in all categories—manpower, equipment, and facilities.

Mr. **Murtha**. Your time has expired General.

You know our interest in making sure the Guard is well equipped and we will continue in that direction and we realize the more missions you are given and the more manpower in the Guard and Reserve, that it is going to be necessary to increase equipment and funding for readiness.

We appreciate you taking the time to come before the committee.

Mr. McDade?

Mr. **McDade**. No questions.

General **Weber**. I request that my long, formal statement be entered into the record.

Mr. **Murtha**. Without objection.

General **Weber**. Thank you, sir.

[The statement of General Weber follows:]

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

ONE MASSACHUSETTS AVENUE, NORTHWEST • WASHINGTON, D.C., 20001 • (202) 789-0031

STATEMENT BY

LIEUTENANT GENERAL LA VERN E. WEBER

EXECUTIVE DIRECTOR

of the

NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

to the

Subcommittee on Defense

of the

House Appropriations Committee

25 April 1989

BIOGRAPHY

LIEUTENANT GENERAL LA VERN E. WEBER (Ret.)
Executive Director
National Guard Association of the United States

Lieutenant General LaVern E. Weber was appointed as the full-time executive director of the more than 56,000-member National Guard Association of the United States (NGAUS) effective 1 July 1984. He joined the Association staff the day following his retirement from the position of military executive for the Defense Department's Reserve Forces Board. His retirement culminated 42 years of military service.

Weber has been in Washington almost continuously since 1971 when he was named to be the Director, Army National Guard. In 1974, he was named by President Gerald R. Ford to be Chief, National Guard Bureau, a post he would fill until 1982. He was recommended for promotion to the rank of lieutenant general and confirmed in that grade by the U.S. Senate in 1979, obtaining distinction as the first Guard Bureau Chief to attain three-star rank.

As Chief of the National Guard Bureau, the Pentagon agency which is the channel of communication between the Departments of the Army and Air Force and the states, he spearheaded the planning, programming and administration of all National Guard programs. Following his tour as Bureau Chief, he served as the deputy commanding general for mobilization at Headquarters, U.S. Army Forces Command.

A native of Lone Wolf, Oklahoma, Weber has been a teacher, a coach, a National Guard administrator and a part-time farmer. He served in the U.S. Marine Corps during WW II, enlisting in 1942 to enter the Navy V-12 Program. He was commissioned out of Officer Candidate School in the Marines in 1945. His service in the National Guard began with his appointment as a second lieutenant in 1948. He served with Oklahoma's 45th (Thunderbird) Infantry Division in Korea as the S-3 (operations and training officer) for the 2d Battalion, 180th Infantry.

Upon his return from Korea, Weber served in key staff assignments in the 45th Division and rose to be the division chief of staff prior to his appointment as the Adjutant General of Oklahoma in March, 1965. He concurrently was promoted to major general.

As the leader of the Oklahoma National Guard he began to play an increasing role at the national level. He served on the NGAUS Executive Council from 1965 to 1971 and was chairman of the "Weber Committee," which was responsible for a major overhaul of the Association. During 1969-71, Weber became a member of the Army Reserve Forces Policy Committee, an advisory body to the Secretary of the Army. In 1971, he was appointed to the Reserve Forces Policy Board at the Department of Defense level.

His many awards and decorations include, among others, U.S. Army Distinguished Service Medal, U.S. Air Force Distinguished Service Medal, Legion of Merit, U.S. Marine Corps Good Conduct Medal, Combat Infantryman Badge, Norway Order of Saint Olav (Cdr with Star), Norway Medal of Merit and the NGAUS Distinguished Service Medal.

–NGAUS–

INTRODUCTION

Strengthening conventional defense came to the forefront of the national security debate in 1988 for the first time in many years. Such events as the INF treaty and debate over the Strategic Defense Initiative (SDI) have increased the attention being paid to providing a ready conventional force. Although there are several opinions about the readiness and sustainability of NATO and other allied forces, few dispute the growing necessity to ensure that our conventional forces are sufficient and ready as a deterrent during a period of strategic offensive and nuclear force reduction now and in the future.

While debate continues on the current capability of NATO forces, a decision to strengthen our conventional forces has become more difficult as political pressure to reduce the budget deficit grows stronger. The nation is quickly approaching a point where much of the recent progress in improving the quality and effectiveness of our defense forces may be eroded. Four years of defense budget reductions, in real dollar terms, show the direction we are heading.

Few changes have been made in recent years in the size of the Total Army and Total Air Force -- that is in the number of warfighting units. The majority of the recent defense effort has been directed toward improving the quality of personnel; developing, procuring and modernizing equipment; and enhancing the effectiveness of training. This has paid off in significant improvements in combat readiness. However, manpower shortages and substantial equipment shortages remain.

We are concerned that current actions being taken to reduce the budget deficit will not only fail to meet the increased need to bolster our conventional forces but also could lead to a reduction in those forces at the same time our nuclear forces are being cut. Less than fully capable conventional forces can be a disaster in the event of a drawdown in nuclear forces.

THE ROLE OF THE NATIONAL GUARD

The role of the National Guard has expanded significantly since introduction of the Total Force Concept in the early 1970s. While the National Guard remains the primary early mobilization force in the event of a national emergency, it also has grown to be a critical segment of our nations' conventional warfighting forces needed in any limited or regional conflict. Even limited engagements will require involvement of the National Guard at a very early stage.

Many elements of the Army and Air National Guard are tasked in contingency plans for use within 72 hours of the start of a conflict. National Guard units are tasked in all major theater wartime scenarios throughout the world. The National Guard provides forward defense and early deploying units with missions that range from early commitment in combat to sustaining theater combat, combat support and combat service support forces.

Army National Guard forces include armor, infantry and artillery forces and aviation units with attack, lift and support missions. The Army National Guard also contributes significant signal, maintenance, transportation and other theater support forces.

The Air National Guard provides alert forces for CONUS air defense and strategic tanker support, as well as providing early deploying tactical fighter, tactical reconnaissance and tactical and strategic airlift forces. It also provides a significant portion of the Total Air Force combat communications, engineering and weapons control capability.

The contribution of the National Guard to the nation's conventional forces is measured in terms of immediate response to contingencies and early deployment in the event of mobilization. With these missions the National Guard can no longer be considered a force in reserve unavailable until well after the start of a conflict.

STATUS OF THE GUARD

With its expanding role, the National Guard must attain and maintain a high level of mission readiness. Units with insufficient manpower, aging equipment, or less than fully trained or maintained forces will be less effective in performing their mission. The primary goal of the National Guard Association of the United States is to ensure that the National Guard portion of the total conventional force is, in fact, capable and ready. Therefore, we intend to concentrate our efforts toward the allocation of the manpower, equipment, training and facilities needed to accomplish wartime missions. In addition, we will continue to address improvement in personnel benefits, and entitlements especially in the areas of education and survivor benefits.

The increased level of mission and training activities, which have developed as a result of the expanding role of the National Guard, have generated growing manpower requirements in both drill strength and full-time support manning. However, the units and missions assigned to the Army and Air National Guard during the past several years have not received the full-time manpower spaces, senior officer and enlisted grade ceilings or funding necessary to fill the programmed requirement.

Effective recruiting and retention of quality personnel are necessary to attain the required manpower levels. Equitable treatment of personnel and family issues, such as educational assistance and survivor benefits, are critical to achieving that goal.

Equipment shortages continue to degrade mission readiness. Although modernization continues, significant shortages remain. It is essential that National Guard requirements be included with those of the active services early in the program cycle in order to provide for concurrent procurement of equipment for the Total Force. That would assure the National Guard's continuing ability to meet readiness requirements. In the interim, research and development and modification programs must be continued by the services to ensure that the older equipment in the National Guard is maintained, and upgraded where necessary to a combat effective level, until it can be replaced by new equipment coming into the Total Force inventory.

Effective training is also a critical element in providing a ready National Guard. This requires resources for formal individual and unit training, schools, exercises, deployments, day-to-day operations and adequate ranges and training facilities. Recent budget cuts have begun to erode the resources available for readiness training. If current and future budget cuts result in a further reduction of training resources, they will have an immediate adverse impact on National Guard readiness.

Many of the current National Guard facilities which are used for administration, maintenance, storage and training require major renovation or replacement. The backlog of construction projects continues to grow each year. Allowing further deterioration of existing facilities will have an adverse impact on mission and support activities.

FORCE MIX

Recent worldwide events have caused new demands for reviews of burden sharing with our NATO allies, forward deployment of our forces, the mix of active and Guard/Reserve forces and even the need to maintain a high level of readiness of the Total Force in the near term. Indeed, most Administration and congressional leaders have recently indicated it may be desirable to move more units and missions into the Guard and Reserve because of budget constraints and possible force realignment. In view of these concerns, it would not appear prudent to make any reduction in Guard and Reserve forces at this time.

While assessment of the threat and determination of optimum defense forces to counter the threat is the responsibility of our nation's leaders, the National Guard Association will continue to identify and seek the resources needed by the Army and Air National Guard to fully meet assigned mission requirements.

MANPOWER REQUIREMENTS

Probably the most important element in producing combat ready National Guard units is the ability to recruit and retain the required numbers of quality personnel. While the National Guard has been able to meet its approved manpower goals in recent years, increased reliance on the Guard has placed even greater demands on recruiting and retention to meet both the full-time support and total Selected Reserve strength requirements.

At the end of FY 1988, the Army National Guard had attained a total strength level of 455,182, including 25,659 full-time Active Guard/Reserve (AGR) members and 28,385 military technicians. The Air National Guard ended FY 1988 with a strength level of 115,221, including 7,709 AGR members and 23,409 technicians. In FY 1989, the Army Guard is programmed to grow to a total strength level of 457,300, with 25,914 AGR members and 28,120 military technicians. The Air Guard figures are 114,975 total strength, with 7,948 AGR and 23,644 technicians. Although both the ARNG and the ANG have existing backlogs of unfunded full-time manpower requirements of approximately 20,000 and 3,000 respectively, the FY 1990 budget contains growth of only 587 in the Army National Guard and 887 in the Air Guard.

The increased level of training and mission activities, which have developed as a result of the application of the Total Force Policy over the past fifteen years, have generated growing manpower requirements in both total drill strength and in the area of full-time support.

If a unit is to make maximum utilization of its limited training time, full-time personnel must be available to plan for, support and participate in unit training sessions and exercises. These personnel perform the day-to-day functions which must be accomplished if a unit is to be effectively trained during peacetime, i.e., personnel administration, supply accounting, equipment maintenance, and management and assistance in daily operations. Full-time personnel are a basic element in producing readiness in Guard units.

The Army and Air National Guard have a mix of military technician and AGR personnel filling full-time support needs. The following table reflects the shortage of full-time personnel that will exist at the end of FY 1990 and FY 1991.

FULL-TIME SUPPORT	ARNG		ANG	
	FY90	FY91	FY90	FY91
DoD Validated Requirement	74,974	76,201	35,448	35,432
Authorized Mil Technicians	28,457	28,647	23,948	23,954
Authorized AGR Members	26,164	26,514	8,531	8,481
Shortage	20,353	21,040	2,969	2,997

The units and missions given to both the Army and Air National Guard during the past several years have not been fully resourced with either drilling members or full-time support manpower. In addition, the higher level of peacetime training and operational activity has resulted in a requirement for more full-time personnel, especially in the Army National Guard. The significant shortages will therefore be carried forward into FY 1992 unless corrective action is taken.

In recent annual reports to Congress, the DoD Reserve Forces Policy Board (RFPB) has stated that the readiness and mobilization capabilities in all of the reserve components have shown major improvement due primarily to the added emphasis provided by full-time support personnel. Data in its FY 1987 report shows a very close correlation between the percentage of full-time manning and the percentage of units mission ready (C-3 or better) in any component.

The National Guard Association believes the Army and Air National Guard must be provided both the drilling and full-time manpower needed to meet the requirements of the missions and units assigned to them. Therefore, we urge Congress to authorize and fund additional growth of 2,000 AGR and 2,000 military technicians above the budget for the Army National Guard in FY 1990. This will begin to reduce existing full-time support manpower shortages.

The FY 1990 budget proposes a reduction in Air National Guard force structure. Pending completion of the current force structure and force mix review, we urge the Congress to restore 600 drill strength, 48 AGR and 195 military technician positions to reverse the draw down of Air National Guard flying units.

EQUIPMENT REQUIREMENTS

Another critical limiting factor to mission readiness in both the Army and Air National Guard continues to be equipment shortages. During the 1980s, modernization has continued through the efforts of the

Army, Air Force and Congress; however, significant shortages remain. The RFPB report for FY 1988 indicates that the shortage in equipment on hand at the end of the year for all Guard and Reserve components was valued at $14.1 billion. Although the shortage had been reduced by approximately $1.5 billion from the prior year, it still represents a shortage of almost 16% of total value of wartime equipment requirements.

Of the total $14.1 billion shortfall, $7.8 billion is in the Army National Guard and $1.8 billion is in the Air Guard. That represents a shortage of onhand versus wartime requirements of about 23% in the Army Guard and 7% in the Air Guard.

The strong support of Congress in recent years has significantly reduced some of the most critical needs. With modern equipment, or at least compatible and deployable equipment, the National Guard can be an effective full partner in the Total Force. But sufficient equipment must be provided to meet wartime requirements and initial training requirements of new units or missions.

The most urgent Army and Air National Guard equipment requirements are addressed in brief in the following paragraphs.

ARNG Tank Modernization Program

The ARNG was scheduled to be equipped with 480 M1 tanks and 3,357 M60A3 thermal sight tanks by the end of 1990, which led to a proposal to upgrade the combat effectiveness of the ARNG M60A3 fleet. In lieu of modernizing the M60 series tank, the Army announced its intention to equip the Army National Guard with M1 tanks as the M1A1 tank was distributed to the Army. Current Army plans now call for completed fielding of M60A3 tank to the Army Guard by the end of FY 1994, four years later than the original plan. The current plan also indicates M1A1 distribution to ARNG roundout units but fails to show complete fielding of the older 1980 vintage M1 tank to the ARNG through FY 1998.

Tanks have a critical role in conventional force strategies. We strongly urge support of continued production of the M1A1 tank at a rate of 720 per year and funding for transition of full battalion sets of M1 tanks and associated equipment to the Army National Guard.

M113 Family of Vehicles

The Army has not programmed any procurement of the M113 Family of Vehicles (FOV) for FY 1988 and beyond. The production line had been scheduled to close in FY 1989 and has remained open only because of congressional action to include M113s in the FY 1988 budget. The ARNG is still experiencing near-term "war stopper" shortages of over 3,000 M113 FOVs, approximately 1,000 of which are armored personnel carriers, required by Army National Guard combat or combat related units. In addition, there is a 16,000 vehicle shortage in war reserve stocks. We urge continuation of M113 FOV production by providing $91 million for 300 M113A3s and $27.5 million for 100 M577A3 command post carriers in FY 1990.

Attack Helicopters

While five of the ARNG's 15 attack helicopter battalions are currently programmed to receive Apache (AH-64) helicopters, the ARNG will be modernized through Cobra (AH-1S) helicopter transfers as the Army receives Apaches. Vietnam era UH-1M helicopters will remain in the Guard system beyond 1990-91 based on the current replacement rate. We encourage

Congress to support continuation of a production rate of 72 Apache helicopters in FY 1990 and in future years until all Total Army advanced attack helicopter requirements have been met.

Utility Helicopters

By 1991, the scheduled purchase of UH-60A Black Hawk helicopters will be completed for the active Army. At that time, 85 percent of the Army National Guard UH-1H/V Huey helicopters will be over 20 years of age with the average age being 23 years. Current distribution plan schedules do not reflect sufficient Black Hawk utility helicopters to modernize a Guard fleet of nearly 900. Modernization of the utility helicopter fleet in the ARNG is urgently needed. Therefore, we request Congress fund production above the Army program of at least 24 Black Hawk helicopters for the Guard in both FY 1990 and 1991 and continue an increased production rate until all the aging UH-1H/Vs have been replaced.

Observation/Scout/Cargo Helicopters

The final elements in the Guard helicopter fleet are the less glamorous but essential work horses -- observation, scout and cargo helicopters. The need for their modernization to fulfill Total Army wartime requirements is equally critical. The current mix based on aging airframes and repair parts shortages results in deployability, maintainability, and interoperability problems. Specifically, we urge support of funding in FY 1990 and 1991 for an upgrade and reengine program for observation/scout helicopters and a long-term upgrade and replacement program for cargo helicopters. Both are critically essential for improved readiness.

Air Defense Artillery Modernization

The Army National Guard is severely short of organic air defense artillery for its major combat forces. The Guard air defense force structure is programmed to modernize its Air Defense Artillery battalions as a result of conversions and activations during FY 1988-1991. We urge Congress to support actions that ensure that the Guard is included in the planning and fielding of any new air defense assets that replace current outdated and inadequate systems.

Multiple Launch Rocket System

Currently, there are no procurement programs to provide the Multiple Launch Rocket System (MLRS) launchers and rockets to equip the nine Army National Guard divisions or to satisfy any additional MLRS needs for Guard corps artillery units. Your support of increased production to accommodate the issue of two battalion sets of MLRS launchers per year to the ARNG until Guard requirements are satisfied is requested. It is also important to provide funds for rocket production sufficient to meet Total Army requirements.

Simulators and Training Devices

The Guard is required to achieve levels of training equal to that of the active Army. Simulators and training devices help to alleviate difficulties in the Guard and Reserve unique training environment resulting from the large number of small geographically scattered units. Funding of $5 million for research and development, $25 million for procurement and $2.5 million for operations and maintenance of training devices and simulators, tailored to the needs of small units, would provide a low cost enhancement of readiness training.

Operational Support Aircraft

Fixed-wing support aircraft are needed in the Army and Air National Guard to provide the capability to meet mobilization requirements of the state area commands, to transport personnel for command, control and supervision of subordinate elements, and to support movement of personnel, equipment and supplies to and from training areas, ranges and detached alert sites. Sixty percent of the mission support aircraft in the ARNG fleet are over 30 years old and are rapidly becoming logistically unsupportable. Additional aircraft are also needed in the ANG to meet growing support requirements. We encourage Congress to support a procurement program to provide 10 C-23 logistical support aircraft to the Army National Guard and six modern C-26 type aircraft per year to both the Army and Air National Guard until mission and operational support requirements are met.

C-130H Tactical Airlift Aircraft

The airlift units of the Air National Guard provide 35 percent of the Air Force's tactical airlift assets and services. The C-130B has an average age of over 30 years and cannot match the airlift capability or, based on maintenance, the cost effectiveness of the C-130H. We strongly urge Congress to authorize and fund 18 C-130H aircraft to replace C-130B models in the Air National Guard in FY 1990.

Tactical Fighter Aircraft

Fighter aircraft are not being procured in sufficient quantities to meet Air Force, Air National Guard, and Air Force Reserve modernization needs of either force size or age goals. More than 50 percent of the

Guard air defense, tactical fighter and reconnaissance aircraft are 20 or more years old and they are highly vulnerable in today's battlefield environment. We solicit congressional support of the accelerated modernization of ANG fighter squadrons by authorizing and funding multi-year procurement of at least 42 F-15 and 150 F-16 aircraft for the Total Air Force tactical fighter force.

Tactical Aircraft Improvement Programs

The Air National Guard is tasked to fight the same war, at the same time and in the same place as active Air Force units. It is imperative that we have commonality of weapons systems and tactical air support capability. The goal of modernization of the ANG tactical fighter and tactical air support fleets can be advanced by providing funds for implementation of the Multi Stage Improvement Program (MSIP) for the F-15, by funding upgrade modifications for the F-16A/B tactical fighter and by continuing the A-7 plus enhancement program in the Air National Guard. We request your support of these three programs.

Electronic Countermeasures (ECM) Pods

The environment of a potential combat arena is such that rapid and correct countermeasures are necessary to alleviate the threat from enemy radar controlled weapons. The few ECM pods now in the ANG inventory are not adequate to meet the current threat. We urge Congress to begin an extended program to equip ANG tactical aircraft units with up-to-date ECM pods.

Fighter Reconnaissance Pod

Manned penetrating reconnaissance will be a warfighting requirement for the foreseeable future. A state-of-the-art reconnaissance pod is the most mission capable, cost-effective, near-term solution to modernization of the tactical reconnaissance force. We urge Congress to authorize continued development of a reconnaissance pod for a manual tactical reconnaissance aircraft.

Miscellaneous Equipment

Since FY 1982, Congress has provided funding for National Guard mission essential equipment to be selected by the Chief, National Guard Bureau, based on his most pressing shortages. While communication/electronic equipment has repeatedly been procured with these funds, it continues to be a serious shortfall. A high percentage of the essential command and control communications mission of the Total Force is in the Army and Air National Guard. Interoperability and obsolescence remain major problem areas. Over the past years, miscellaneous equipment funds have also been expended for trucks, medical equipment, aircraft support equipment, and other critical items. Even with the progress made possible through miscellaneous equipment funds, the National Guard continues to suffer shortages in ground and air combat equipment, communications equipment and medical equipment. Much of the equipment needed does not represent major procurement line items. We urge continued funding for miscellaneous equipment in FY 1990 and 1991, in order that the Chief, National Guard Bureau, can alleviate day-to-day shortages of high priority and combat essential equipment and directly improve combat capability and survivability of early mobilizing units of the Army and Air National Guard.

FEDERAL SHARE OF COST OF ARMORIES

The law requires that the cost of new Army Guard armory construction be shared between the federal government and the states at a 75/25 percent ratio. The states must also furnish the land, provide site preparation and bring utilities to the property. Following construction and acceptance, the states acquire ownership of the armory and are required by current directives to maintain the armory at state expense and make it available for military use for 25 years. States are often hard pressed to appropriate the funds required to both construct and maintain armory facilities.

During the past several years, congressional action provided some relief to the states. Changes in law authorized 100 percent federal funding of expansion projects, required as a result of federal mission changes, and allowed advanced federal funding of engineering and design costs on a reimbursable basis.

Congress also authorized cost sharing of major maintenance projects for armories and full federal funding for the provision of space, utilities and communications support of full-time federal personnel. However, we are concerned that the assistance provided by Congress is not being continued by DoD in programming and budgeting. In the FY 1990 and 1991 budgets funds have been included for this purpose but unspecified budget cuts in operating funds again put this program in jeopardy. We would hope that the support of Congress for this essential funding would be recognized and that sufficient funding would be included in the FY 1992 Defense budget.

The cost of an executable annual program of providing support to Army Guard full-time federally employed personnel and fifty percent of the cost of major armory maintenance projects is $25 million. The National Guard Association urges Congress to ensure this level of support is provided in FY 1990 and 1991.

MILITARY CONSTRUCTION

The unfunded military construction backlog in the National Guard continues to grow and will reach approximately $3 billion for the Army National Guard and $1.1 billion for the Air National Guard by the end of FY 1990. As a result of many units being forced to continue using inadequate facilities, manpower retention and unit readiness are being adversely affected. Two major factors in unit readiness capability -- training and equipment maintenance -- are being severely hampered.

We appreciate the increased funding Congress has provided for both programs. However, an annual appropriation rate of slightly over $150 million for the ARNG and approximately $150 million for the ANG has not allowed them to keep pace with both the new construction requirements which are caused by expanding federal missions and force structure changes or with the backlog of maintenance and replacement projects for current mission facilities. The unfunded construction projects are fundamental structures such as armories, maintenance shops, storage facilities for newly assigned equipment, fire suppression systems at air bases, and training facilities. Each additional project not only enhances the readiness of the units affected but also adds to the economic health of the community and state where it is located.

We urge that Congress recognize the existing National Guard military construction backlog and provide funding to accelerate National Guard construction programs to a level that will fund all new mission requirements plus a minimum of $150 million to apply against the current mission requirements of both the ARNG and the ANG in order to enhance readiness and begin to reduce their existing backlogs.

PERSONNEL ENTITLEMENTS AND BENEFITS

We fully agree with most military leaders that manpower is the mainstay of the Armed Forces of this country. All soldiers, airmen, and sailors whether they are active, Guard or Reserve make personal sacrifices to serve their country. In order to maintain the required levels of readiness and to fulfill their Total Force role, Guard members are increasingly called upon to perform additional duty periods, often without pay or benefits.

Our goal is to recruit, train and retain quality personnel. The quality of Guard personnel has steadily increased during the past decade. Entitlement and benefit programs have provided a significant incentive to belong to the Guard. Unfortunately, we continue to have personnel policies and provisions in law that fail to support the principles of the Total Force policy for Guard and Reserve members and adversely impact on recruiting and retention.

Survivor Benefit Plan

With changes to the two-tier Survivor Benefit Plan (SBP), the annuity for a large number of survivors of the National Guard and Reserve was substantially reduced. Members of the National Guard and Reserve generally do not earn much Social Security credit based on their military service and prior to 1986 their survivors experienced a minimal offset.

The original SBP was modeled after the Civil Service retirement system. Comparison between the Federal Employees Retirement System (FERS) and the two-tier SBP demonstrates a major inequity between the two revised programs. FERS provides a 50 percent annuity without reduction when an individual is eligible for Social Security. The SBP annuity drops to 35 percent.

In our view, there is no valid reason to provide a military survivor a lower percentage of a survivor annuity than that of a Civil Service employee survivor. NGAUS urges the enactment of legislation to establish, at the very least, an option for a single tier, 50 percent maximum annuity for eligible survivors of all military personnel.

GI Bill Expansion

The proven effectiveness of the Montgomery GI Bill for the Selected Reserve as a tool for improving overall quality manning and readiness of the Guard and Reserve is limited by the exclusion of certain types of educational assistance. Expansion of the programs of education available to Guard and Reserve members to emulate those available to active members under Chapter 30, Title 38 would make the program more effective. Some of our vital readiness skills require hands-on vocational or advanced degree studies. We strongly urge Congress to expand the Montgomery GI

Bill Chapter 106, Title 10 program to cover the same categories of educational assistance as Chapter 30, Title, 38.

Army Continuing Education System

Educational assistance through the Army Continuing Education System (ACES) is available to all members of the active Army and members of the Army National Guard and Army Reserve except for officers on active duty or AGR status and all Guard and Reserve warrant officers. The program also prohibits all Army Guard and Reserve personnel from receiving tuition assistance for graduate studies. Legislation to amend Section 2007, Title 10, USC to entitle all members of the Army Guard and Army Reserve to the same ACES opportunities currently afforded to the active component, and to most Guard and Reserve soldiers, is requested.

FORCE STRUCTURE CUTS/BUDGET REDUCTIONS

During recent budget reduction efforts in the Department of Defense the Air Force decided to absorb part of the cut by making force structure reductions across the active, Guard and Reserve tactical fighter and tactical airlift forces.

The FY 1989 budget proposed a reduction of two active tactical fighter wings and an equivalent wing from the Air National Guard and Air Force Reserve, with resources to be withdrawn over a three year period. It also included the first steps in a reduction of one Guard and Reserve equivalent tactical airlift squadron and two active squadrons.

During review of the FY 1989 budget, Congress questioned the cost effectiveness of applying cuts to current Guard and Reserve combat ready units and restored the funding to maintain the units. In addition, the Congress directed the Secretary of Defense to evaluate moving additional portions of Air Force missions to the Guard and Reserve and to report his recommendations by January 1989. That report is not yet available.

Force structure changes announced by the Air Force early this year indicate they are continuing with the proposal to reduce tactical fighter, tactical airlift and other flying units. Although tactical fighter reductions are not planned without concurrent conversion, the budget calls for several 24 aircraft F-4 units to be reduced to 18 aircraft as they convert to OA-10 and F-16 aircraft. In addition, one C-130E unit is programmed to reduce from 16 to 12 aircraft, without an aircraft conversion, and another unit will go from 16 C-130A to 8 C-130H aircraft.

Although details are not yet available, we are also concerned about the impact of the proposed Army Aviation Modernization Plan (AAMP). The end objective of the AAMP is to modernize the Total Army helicopter fleet. A key element is fielding of the LHX advanced helicopter in the mid to late 1990s. Our concern is that the AAMP proposes reductions in unit size equipment and manpower in the near term with no specified program for delivery of replacement equipment.

While reductions are required to meet budget limits, we seriously question the benefits in cost effectiveness or combat effectiveness of the decision to reduce Guard and Reserve forces at a time when active force combat capability is being cut and further reductions are being considered. In order to retain the maximum combat capability at the minimum cost, it would seem advisable to at least maintain the combat forces now in the Guard and Reserve. In fact, an argument could be made that Guard and Reserve forces should be robusted or expanded to take advantage of their lower cost peacetime operation and many of our nation's leaders are indicating an intention to examine that possibility.

Although cost comparisons between active and Guard units are difficult because of different mission taskings, unit size and methods of accounting for base support and overhead, estimated costs for Guard units generally range between 40 and 80 percent of the cost of a similar active unit. In any case, robusting of existing units, in order to utilize the current overhead structure, would certainly provide the lowest cost increase of combat capability possible.

Maintaining or expanding Guard and Reserve units would also provide a means of retaining in the Total Force many of the highly skilled personnel now being lost or forced out of the active forces. The investment in training and the combat capability of the Total Force would be retained although some might argue that the optimum balance of active and Guard/Reserve forces would be tilted. We believe the benefits of retaining the current force level and most of the combat capability would be significantly greater than the marginal costs involved.

We strongly urge that as Congress realigns priorities within the FY 1990/1991 DoD budget savings from other areas be applied to reinstate the proposed Guard and Reserve force structure cuts in order to retain the maximum number of skilled personnel and Total Force combat capability possible within the budget limit.

SUMMARY

We have appreciated this opportunity to present the views of the National Guard Association of the United States on the current status of the National Guard and the actions needed to improve combat readiness.

We sincerely appreciate the strong support of Congress in providing manpower, equipment, training resources and facilities in the past. That support, along with the support given by the services and DoD under the Total Force Policy, has allowed the Army and Air National Guard to greatly increase their combat readiness during the 1980s.

The National Guard and Reserve are a substantial element of the conventional force. As we enter a new era of budget constraints and force structure realignment, we must identify and satisfy the readiness needs of all Active, National Guard and Reserve components if the nation is to have the most effective defense force for the lowest possible cost. Shared responsibility demands equitable sharing of resources to meet present and future force requirements. As the Nation faces budget decisions that may require reductions in defense resources, it is imperative that we have an increased commitment to meet balanced Total Force requirements.

The National Guard Association of the United States recognizes the role of the National Guard in the Total Force and accepts the mandate to communicate the needs of the National Guard to meet that role. We intend to express our concern in every forum available when resources are insufficient for the National Guard to attain and maintain the readiness required.

To this end, the National Guard Association of the United States will strive to ensure that the National Guard is provided an equitable sharing of resources to meet the responsibilities assigned. Until those resources are provided, the basic tenets of the Total Force Policy will not have been fully realized and our conventional forces will not be fully ready.

TUESDAY, APRIL 25, 1989.

NAVAL RESERVE ASSOCIATION

WITNESS

CAPT. CHARLES A. BUESENER, U.S. NAVY RESERVE, RETIRED, DIRECTOR OF LEGISLATION, NAVAL RESERVE ASSOCIATION

INTRODUCTION

Mr. MURTHA. The next witness is Captain Charles Buesener of the Naval Reserve Association. Captain Buesener.

STATEMENT OF CAPTAIN BUESENER

Captain BUESENER. It is again my pleasure to appear before the committee. In particular, I am grateful for the past strong support that this committee has given to the Naval Reserve.

ANTISUBMARINE WARFARE CAPABILITY

Today, the Naval Reserve is in a position that is very tenuous. At a time when economic constraints would mitigate toward pushing more missions into the Naval Reserve and when force structure migration is more or less the theme of the day, an event has occurred that is contrary to all of those trends. As I speak, the amended President Bush budget is being briefed that is proposing a serious and drastic reduction in the Reserve VP antisubmarine warfare capability.

This particular element of the Reserves has been the most outstanding element in the Naval Reserve and has been cited by the former Secretary of Defense, Mr. Weinberger, as a model of total force structure and capability. And yet, today, in front of the House Armed Services Committee, a proposal is being made to reduce that force by 40 percent, retire 40 airplanes that have service life remaining for five or six years, decimate the force by 600–700 trained ASW technicians and pilots and air crews that are essentially irreplaceable, and to save $27 million.

The fact of the matter is that we now need greater ASW capability, not less. We need greater ASW capability at the most economical rate to sustain that.

The Naval Reserve has provided that capability over the years and we cannot, in our view, afford to see that much needed and very, very scarce commodity migrate out of the force levels. These airplanes are capable of continued life to 1996.

Last year I wrote an article for the NRA news titled "Countdown to Disaster." Congressman Bill Chappell read the article and put a cover letter on it and passed it out to the Members of this committee. This eventuality was predicted as an off-the-wall thing. It has now happened, and we ask you to consider whatever intervention is necessary to prevent this tremendous loss from our capability.

I ask that my statement be entered in the record. I didn't want to discuss what is in there because I felt this issue is overwhelming and has to be addressed by all of us.

[The statement of Captain Buesener follows:]

STATEMENT BY
CAPT CHARLES A. BUESENER, USNR (RET)
DIRECTOR OF LEGISLATION
OF THE
NAVAL RESERVE ASSOCIATION
TO THE
DEFENSE SUBCOMMITTEE
OF THE
HOUSE OF REPRESENTATIVES APPROPRIATIONS COMMITTEE
25 APRIL 1989

MR. CHAIRMAN, DISTINGUISHED MEMBERS OF THE COMMITTEE, IT IS A PRIVILEGE TO HAVE THIS OPPORTUNITY TO PRESENT THE VIEWS OF THE NAVAL RESERVE ASSOCIATION TO THE COMMITTEE FOR YOUR CONSIDERATION.

THE FY90/91 DEFENSE BUDGET SIGNIFIES THE BEGINNING OF THE "CHALLENGE OF THE 90'S" FOR THE NAVAL RESERVE. IN MANY RESPECTS THIS DECADE'S FISCAL CONSTRAINTS PARALLEL THE FUNDING SCENARIO PREVALENT AT THE BEGINNING OF THE 70'S. HISTORICALLY, AS WE ALL SHOULD REMEMBER, SUCH AN ENVIRONMENT DOES NOT BODE WELL FOR THE NAVAL RESERVE.

THE TOTAL FORCE POLICY WHICH EVOLVED DURING THE 70'S AND THRIVED TO A CERTAIN EXTENT IN THE FISCALLY LUSH YEARS OF THE 80'S WILL FACE ITS FIRST REAL CHALLENGE IN THE 90'S AS DEFENSE BUDGETS CONTINUE TO SHRINK.

IN A VERY REAL SENSE THE CYCLICAL DOWN TURN IN DEFENSE FUNDING COULD NOT HAVE HAPPENED AT A MORE CRITICAL TIME AS THE NAVY, AS WELL AS THE OTHER UNIFORMED COMPONENTS, FACES A MASSIVE MODERNIZATION REQUIREMENT DRIVEN BY SIGNIFICANT TECHNOLOGICAL ADVANCES CURRENTLY AVAILABLE AND BEING INTRODUCED BY THE SOVIETS AS WELL AS OURSELVES.

THESE NEW TECHNOLOGIES OF AND BY THEMSELVES GENERATE A COMPULSIVE REQUIREMENT TO MODERNIZE THE FORCE. THE EMERGENCE OF STEALTH TECHNOLOGY, FOR EXAMPLE, REQUIRES THE REPLACEMENT OF THE ENTIRE MANNED BOMBER FORCE AS WELL AS ALMOST ALL OF THE NAVY AND AIR FORCE TACTICAL AIR FORCES. ALREADY, REPLACEMENT AIRCRAFT INCORPORATING THESE NEW TECHNOLOGIES ARE ON THE DRAWING BOARDS OR ARE ACTUALLY FLYING, B2, ATA, ATF AND ATS TO NAME A FEW. ALTHOUGH THE PROCUREMENT PRICE TAG IS ENORMOUS, THE FAILURE TO MODERNIZE COULD WELL BE CATASTROPHIC.

THE MOST PROFOUND AND THREATENING TECHNOLOGICAL ADVANCES HAVE OCCURRED IN THE QUIETING OF THE SOVIET SUBMARINE FORCE WHICH, IF NOT COUNTERED BY AN AGGRESSIVE ANTI-SUBMARINE WARFARE EFFORT ON OUR PART, COULD WELL PUT IN JEOPARDY OUR ABILITY TO SUPPORT OUR NATO ALLIES, TO RESUPPLY EUROPE, AND TO CARRY OUT OUR POWER PROJECTION MARITIME STRATEGY CENTERED ON OUR 15 CARRIER BATTLE GROUP FORCE STRUCTURE.

ADMIRAL C.A.H. TROST, THE CHIEF OF NAVAL OPERATIONS, IN HIS FY90 POSTURE STATEMENT ADDRESSED THE SOVIET THREAT AS FOLLOWS:

> "DETERRING THE SOVIET UNION REMAINS A PRIMARY CHALLENGE FOR OUR FORWARD DEPLOYED NAVY. WHILE WE MUST LISTEN HOPEFULLY TO ALL SOVIET PROPOSALS, WE CANNOT PERMIT OURSELVES TO BE LULLED INTO COMPLACENCY CONCERNING THE SOVIET THREAT. AFTER ALL, GLASNOT AND PERESTROIKA ARE POLICIES AIMED AT ARRESTING THE DETERIORATING SOVIET ECONOMY. IF THESE POLICIES SUCCEED, THE MILITARY POTENTIAL OF THE SOVIET UNION COULD EVENTUALLY BE EVEN GREATER THAN TODAY. SINCE 1981, THE SOVIETS HAVE PUT TO SEA SIX NEW CLASSES OF GENERAL PURPOSE SUBMARINES, FOUR NEW CLASSES OF SURFACE WARSHIPS, AND THREE NEW TYPES OF NAVAL AIRCRAFT. THEY ARE BUILDING A NEW 65,000-TON CLASS OF AIRCRAFT CARRIER THAT WILL BRING A SIGNIFICANT NEW CAPABILITY TO THEIR FLEET IN THE NEXT FEW YEARS, JOINING THEIR FOUR KIEV CLASS CARRIERS ALREADY FULLY OPERATIONAL AT SEA. WE HAVE SEEN LITTLE SLACKENING IN THEIR BUILDING EFFORTS.
>
> "I AM PARTICULARLY MINDFUL OF SOVIET SUBMARINE

> capabilities, and our own antisubmarine warfare efforts remain my top warfighting priority. The new SSN-21 Seawolf attack submarines and the new Long Range Air ASW Capability Aircraft (LRAACA) are the essential next generation of ASW forces. When combined with planned improvement to our carrier-based ASW aircraft and helicopters and the integrated ASW capability on our new surface combatants, they provide us the forces necessary to meet the Soviet ASW challenge. ASW is a force structure intensive problem. There are no silver bullets or easy pat answers to ASW. Nor is there a technical breakthrough on the horizon to make ASW simple: It takes the combined efforts of all our ASW forces — surveillance systems, attack submarines, ASW aircraft and helicopters, and surface combatants — to defeat a large submarine threat. To succeed at ASW you have to do it the old fashioned way; work hard and combine all the forces at your disposal. This is a lesson we learned in World War II and it remains valid today."

The question remains however, how much modernization and force structure will be funded by Congress? Definitely the funding trend is downward. A quick analysis indicates how much the Defense plan has already been trimmed.

The Defense budget plan submitted in January 1987, just two years ago, proposed the following funding levels: (all figures are current $ in billions).

	FY 90	FY 91	FY 92	FY 93	FY 94

JAN 1987	343.9	364.9	386.5	409.6	434

THE FY90/91 REAGAN BUDGET SUBMITTED IN JANUARY 1989 IS AS FOLLOWS:

	FY 90	FY 91	FY 92	FY 93	FY 94
JAN 1989	305.6	320.9	335.7	350.7	365.6
REDUCTIONS FROM 1987	-38.3	-44.0	-50.8	-58.9	-68.4

HOWEVER, THE REAGAN FY 90/91 BUDGET HAS ALREADY BEEN FURTHER REDUCED BY PRESIDENT BUSH AS FOLLOWS:

	FY 90	FY 91	FY 92	FY 93	FY 94
FEB 1989 BUSH REDUCTIONS	-6.1	-9.5	-13.4	-14.6	-15.6
REVISED DOD BUDGET	299.5	311.4	322.3	336.1	350.0

IN AGGREGATE, IN JUST 25 MONTHS (JAN 87-FEB 89) THE DOD BUDGET HAS BEEN REDUCED AS FOLLOWS:

CUMULATIVE REDUCTION (IN BILLIONS)

FY 90	FY 91	FY 92	FY 93	FY 94
44.4	53.5	64.2	73.5	84.0

FURTHER, MANY BELIEVE THAT EVEN THIS LEVEL OF FUNDING CAN NOT BE SUSTAINED AND ARE RECOMMENDING FURTHER SIGNIFICANT REDUCTIONS, REDUCTIONS WHICH, IN FACT, COULD DRIVE THE FY90 BUDGET DOWN TO THE $290 BILLION RANGE. REDUCTIONS OF THIS MAGNITUDE MAY WELL REQUIRE AN ACROSS THE BOARD REDUCTION IN CURRENTLY PLANNED MODERNIZATION AND EXISTING FORCE STRUCTURE

THE HONORABLE WILLIAM L. BALL, III, SECRETARY OF THE NAVY, IN HIS POSTURE STATEMENT IN SUPPORT OF THE PRESIDENT'S FY90/91 BUDGET ADDRESSES BUDGET PRIORITIES AS FOLLOWS.

RESOURCES

> "THE PRESIDENT'S BUDGET REQUEST FOR FY1990/91 REPRESENTS LESS THAN FIVE AND ONE-HALF PERCENT OF OUR GNP. THE NAVY DEPARTMENT'S SHARE OF THE DEFENSE BUDGET REPRESENTS A WELL-BALANCED PROGRAM TO DELIVER THE GREATEST COMBAT EFFECTIVENESS POSSIBLE WITH THE DOLLARS ALLOCATED. THE UNDERSTANDABLE DECLINE IN RESOURCES AVAILABLE FOR DEFENSE HAS CHALLENGED US TO TIGHTEN OUR FORCE AND MAKE HARD DECISIONS ON EVERY DOLLAR SPENT FOR READINESS. I BELIEVE THAT WE HAVE MET THE CHALLENGE AND HAVE MANAGED OUR SMALLER SHARE OF THESE RESOURCES WITHOUT REDUCING OUR ABILITY TO MEET NATIONAL COMMITMENTS. THIS HAS BEEN A DIFFICULT PROCESS, AND WE ARE NOW AT THE LIMIT OF WHAT CAN BE DONE WITHOUT JEOPARDIZING OUR ABILITY TO MEET COMMITMENTS OR BREAKING FAITH WITH OUR PEOPLE.
>
> "THE REVISIONS MADE NECESSARY BY THE OVERALL DEFENSE BUDGET CUTS OF THE LAST FOUR FISCAL YEARS HAVE HAD CUMULATIVE EFFECTS. FIRST, THERE IS INCREASED RISK WHICH ATTENDS THE CURTAILMENT OF SOME PROMISING DEVELOPMENT AND PROCUREMENT PROGRAMS IN ORDER TO FUND OUR MORE URGENT OPERATING NEEDS. SECOND, EFFICIENCIES ARE LOST WHEN WE INTRODUCE CHANGE AND INSTABILITY IN PROCUREMENT PROGRAMS WHICH INCREASE BUSINESS

COSTS. OUR INABILITY TO FULLY FUND NECESSARY PROGRAMS IN FY 90/91 WILL PREDICTABLY MAKE FUTURE MODERNIZATION TO OUR FORCE STRUCTURE EVEN MORE EXPENSIVE."

BUDGET PRIORITIES

"IN REAL TERMS, NAVY AND MARINE CORPS FUNDING REMAINS BELOW THAT OF ANY FISCAL YEAR SINCE 1984. WE HAVE TRIMMED EVERY POSSIBLE ACCOUNT IN ORDER TO SUPPORT NATIONAL COMMITMENTS WHILE CONTINUING SUCH HIGH PRIORITY PROGRAMS AS THE V-22 OSPREY, THE A-12, DDG-51, TRIDENT D-5, AND THE SSN-21. THE BUDGET SUBMITTED FOR FY 1990-91 REFLECTS THE CLEAR PRIORITIES ESTABLISHED IN GUIDANCE FROM THE PRESIDENT AND SECRETARY OF DEFENSE. WE HAVE SUPPORTED AND FUNDED PERSONNEL AND MATERIAL READINESS, AND ENDEAVORED TO PROTECT FORCE STRUCTURE GAINS OF THE PAST YEARS IN AN OVERALL BALANCED PROGRAM.

"THE DEPARTMENT'S AIM IS TO CONTINUE MAXIMIZING THE DETERRENT AND COMBAT CAPABILITY OF OUR FORCES FOR THE FUTURE THROUGH PRUDENT INVESTMENT AND CAREFUL MANAGEMENT. WE MUST CONTINUE TO ENSURE THAT THERE WILL BE SUFFICIENT TOOLS FOR OUR SAILORS AND MARINES TO FIGHT. WE WILL NEED HELP FROM THE CONGRESS TO BUY SHIPS, AIRCRAFT, AND WEAPON SYSTEMS WHICH ARE AFFORDABLE IN THE NUMBERS NECESSARY. OUR EMPHASIS HAS BEEN ON CAPABILITY AT AN ACCEPTABLE COST. THE CAPITAL INVESTMENT MADE IN THE FLEET HAS BEEN REPAID THROUGHOUT LONG SERVICE LIVES OF OUR SHIPS AND EQUIPMENT, SOME MUCH LONGER THAN WE

> DESIRE, AND IN THE PURCHASE OF NEW EQUIPMENT WHICH COMPLEMENT OLD. THE NAVY AND MARINE CORPS HAVE BEEN MANNED AT LEVELS CONSISTENT WITH A CONSTRAINED BUDGET. THEY HAVE BEEN EQUIPPED AND SUPPLIED TO MEET PROJECTED THREATS. CLEARLY, IF WE ARE TO ADHERE TO THE PLANNING OBJECTIVES AND MANAGEMENT CONCEPTS EMBODIED IN THE BUDGET, WE WILL NEED THE STABLE FUNDING LEVELS BEING REQUESTED THIS YEAR AND THE INCREASES PLANNED FOR THE FUTURE.
>
> "THE FY90/91 REVISED BUDGET REPRESENTS THE CORRECT BALANCE BETWEEN COMPETING REQUIREMENTS INCLUDING FORCE MIX, READINESS, SUSTAINABILITY AND INVESTMENT IN RESEARCH AND DEVELOPMENT. THIS CAREFULLY STRUCTURED BUDGET WILL SUPPORT OPERATIONS AT PEACETIME NORMS AND CURRENT LEVELS OF READINESS. THE BUDGET WILL IMPOSE CERTAIN DELAYS ON THE PACE OF MODERNIZATION AND IT WILL DEFER ATTAINMENT OF LONG-STANDING FORCE GOALS IN SOME AREAS."

CLEARLY, THE PROCUREMENT AND MODERNIZATION PLANS FORMULATED AND PROGRAMMED JUST TWO YEARS AGO AND BASED ON A CONSIDERABLY ENHANCED FUNDING LEVEL ($343.9 BILLION VICE $299.5 BILLION IN FY90) HAVE ALREADY BEEN MODIFIED AND WILL HAVE TO BE FURTHER MODIFIED IF CONGRESS REDUCES DOD FUNDING FURTHER.

MANY CURRENT MODERNIZATION PROGRAMS SUCH AS THE ATF, ATA, LRAACA, SSN-21 AND DDG-51 FOR EXAMPLE, WERE INITIATED DURING THE ROBUST FUNDING ENVIRONMENT OF THE MID TO LATE 80'S WITH ANNUAL PRODUCTION TO BEGIN IN THE LATE 80'S AND 90'S.

UNFORTUNATELY, THE FUNDING ENVIRONMENT HAS CHANGED SIGNIFICANTLY. FOR

EXAMPLE, THE LEVEL OF FUNDING CURRENTLY PROGRAMMED FOR FY93 IS SOME $73.5 BILLION LESS THAN THAT PLANNED IN 1987.

CLEARLY, REDUCTIONS OF THIS MAGNITUDE WILL REQUIRE EXTENSIVE ADJUSTMENT ON THE PART OF THE DEPARTMENT OF DEFENSE. OBVIOUSLY, SOME ADJUSTMENTS HAVE ALREADY BEEN IMPLEMENTED TO MEET THE BUDGET REDUCTIONS ALREADY IMPOSED. THE REMAINING OPTIONS DELINEATED BELOW ARE BOTH FEW IN NUMBER AND DRASTIC IN CONSEQUENCE.

- CANCEL EXISTING PROCUREMENT LINES EARLY (P3C, A6E, SSN-688)
- CANCEL NEW PROGRAMS
- DELAY START OF INITIAL PROCUREMENT FOR NEW EQUIPMENT
- STRETCH-OUT EXISTING PROGRAMS (I.E. BUY FEWER NUMBER OF UNITS PER YEAR)
- REDUCE FORCE STRUCTURE AND READINESS ACCOUNTS
- REDUCE MANPOWER

THE TREND IN FISCALLY CONSTRAINED TIMES SUCH AS THESE IS TO LOOK FOR WAYS TO PLACE MORE COMBAT UNITS INTO THE RESERVE FORCE STRUCTURE. IN TRUTH, THE TOTAL FORCE POLICY EVOLVED OF NECESSITY FROM THE FISCAL CONSTRAINTS OF THE 70'S.

TODAY, SIGNIFICANT PORTIONS OF THE NAVY'S COMBAT CAPABILITIES ARE IN THE NAVAL RESERVE AS THE NAVAL RESERVE HAS GROWN MORE THAN 50 PERCENT IN THE LAST SEVEN YEARS. IN MISSION AREAS SUCH AS HELICOPTER STRIKE RESCUE AND SPECIAL WARFARE SUPPORT, MOBILE INSHORE/UNDERSEA WARFARE AND CONUS BASED HEAVY AIRLIFT AND COMPOSITE SQUADRONS, ALL THE NAVY'S CAPABILITY IS CURRENTLY IN THE NAVAL RESERVE FORCE. IN ADDITION, 80 PERCENT OF THE MINE WARFARE SHIPS, 50 PERCENT OF THE MOBILE CONSTRUCTION BATTALIONS AND THE NAVAL INTELLIGENCE CAPABILITY, AND 35 PERCENT OF MARITIME AIR ASW ARE IN THE NAVAL RESERVE.

IN TODAY'S FISCAL ENVIRONMENT MANY NATIONAL LEADERS AND DEFENSE EXPERTS ARE RECOMMENDING THAT FURTHER MIGRATION OF FORCE STRUCTURE FROM ACTIVE TO RESERVE COMPONENT STATUS SHOULD BE INVESTIGATED.

NATIONAL SECURITY CHIEF BRENT SCOWCROFT, IN HIS DEFENSE AND ARMS CONTROL POLICY PAPER, STATES THE FOLLOWING:

> "OVER THE LONG RUN, ONE MAJOR EVOLUTION THAT COULD HELP SAVE SUBSTANTIAL FUNDS IN THE DEFENSE BUDGET WOULD BE SYSTEMATICALLY TO MOVE A LARGER NUMBER OF UNITS FROM ACTIVE TO RESERVE OR CADRE STATUS. HISTORICALLY, RESERVE STATUS HAS WORKED QUITE WELL FOR UNITS THAT OPERATE AIRCRAFT IN ALL FOUR SERVICES. IN MANY PARTS OF THE RESERVES THAT OPERATE AIRCRAFT THE READINESS AND MAINTENANCE ARE SUPERIOR TO THOSE FOR ACTIVE UNITS. FAR MORE MONEY IS SAVED, HOWEVER, IF GROUND FORCE UNITS ARE MOVED INTO RESERVE STATUS. THIS ENTAILS A DECLINE IN THE NUMBER OF UNITS THAT COULD BE DEPLOYED QUICKLY, OF COURSE. SUCH UNITS ARE TYPICALLY NCT SO READILY DEPLOYABLE AS AIRCRAFT RESERVE UNITS, AND FOR MANY TYPES OF UNITS A TRANSFER TO RESERVE STATUS CAN FORCE THE LOSS OF ALL-IMPORTANT CADRES OF WELL-TRAINED OFFICERS AND NON-COMS. BUT, IF PROPERLY MANAGED, AN EVOLUTION TOWARD GREATER RELIANCE ON RESERVE AND CADRES WOULD BE FAR SUPERIOR TO RETAINING ACTIVE FORCES OF THE SIZE THAT WE NOW HAVE AND SEEING THEIR READINESS DETERIORATE ACROSS THE BOARD - PRODUCING THE "HOLLOW ARMY" DESCRIBED BY ONE FORMER ARMY CHIEF OF STAFF, AND THREE OTHER HOLLOW SERVICES AS WELL - THROUGH GENERAL READINESS AND TRAINING CUTS. POLITICAL

> RIGIDITIES WITH RESPECT TO GUARD AND RESERVE FORCES CLEARLY EXIST - E.G., THE POLITICAL PRESSURE TO MAINTAIN LARGE GUARD UNITS WITH MANY SENIOR OFFICERS - AND THESE RIGIDITIES SUBSTANTIALLY REDUCE THE EFFECTIVENESS AND FLEXIBILITY OF RELIANCE ON THE RESERVE AND THE GUARD. BUT IT MAY BE PREFERABLE TO WORK TO CHANGE THESE RIGIDITIES RATHER THAN TO LIVE WITH THE CONSEQUENCES OF OVERALL READINESS AND TRAINING CUTS."

FORMER SECRETARY OF THE NAVY, JOHN LEHMAN IN HIS RECENTLY PUBLISHED BOOK, "COMMAND OF THE SEAS", DISCUSSES ACTIVE/RESERVE FORCE MIX AS FOLLOWS:

> "BALANCE SHOULD BE MAINTAINED BETWEEN ACTIVE AND RESERVE FORCES. THE CURRENT FORCE STRUCTURE IN EACH OF THE ARMED SERVICES TODAY IS ABOUT RIGHT. THE ARMY HAS 28 DIVISIONS, THE NAVY WILL SOON HAVE 15 CARRIER BATTLE GROUPS AND 4 BATTLESHIP BATTLE GROUPS, THE AIR FORCE AS 37 FIGHTER WINGS, AND THE MARINE CORPS 6 DIVISION EQUIVALENTS AND 4 AIR WINGS. EACH OF THE SERVICES, HOWEVER, HAS TOO MUCH OF THIS FORCE STRUCTURE ON FULL-TIME ACTIVE DUTY. WE DO NOT NEED 18 ACTIVE AND 10 RESERVE ARMY DIVISIONS; THE RATIO SHOULD BE THE REVERSE. INSTEAD OF A 600-SHIP NAVY OF 550 ACTIVE AND 50 RESERVE SHIPS, THE RATION SHOULD BE 450 ACTIVE AND 150 RESERVE. WE DO NOT NEED TWO-THIRDS ACTIVE WINGS AND ONE-THIRD RESERVE WINGS IN THE AIR FORCE, BUT RATHER, CLOSER TO HALF AND HALF. INSTEAD OF 5 ACTIVE DIVISION EQUIVALENTS IN THE MARINE CORPS (OFFICIALLY THERE ARE ONLY 3 DIVISIONS) AND 1 RESERVE, THE RATIO SHOULD BE 2 ACTIVE AND 4 RESERVE.

"EACH OF THE MILITARY SERVICE BUREAUCRACIES WILL TENACIOUSLY RESIST CHANGING THE EXISTING RATIOS. THE REASONS ALWAYS GIVEN ARE THAT THERE ARE INSUFFICIENT TRAINING FACILITIES AVAILABLE TO EXPAND THE RESERVE AND THAT EACH SERVICE IS HAVING ENOUGH TROUBLE RECRUITING TO FILL CURRENT RESERVE BILLETS WITHOUT EXPANDING THEM. THESE ARGUMENTS ARE ILLOGICAL AND EASILY REFUTED. IF THERE ARE FEWER ACTIVE FORCES USING THE TRAINING FACILITIES AND RANGES, MORE WOULD BE AVAILABLE FOR THE RESERVE. IT WOULD REQUIRE SHIFTING SOME OF THE RESERVE TO THE EFFECTIVE SYSTEM USED BY MANY OF OUR EUROPEAN ALLIES. INSTEAD OF MONTHLY WEEKEND DRILLS OF LIMITED UTILITY, THERE SHOULD BE ONE TWO-WEEK TO ONE-MONTH ANNUAL TRAINING PERIODS, USING THE BEST EQUIPMENT ON THE BEST TRAINING RANGES. ANSWERING THE SECOND ARGUMENT, OBVIOUSLY IF YOU ARE ABLE TO RECRUIT FOR FULL-TIME ACTIVE DUTY, YOU CAN CERTAINLY RECRUIT FOR PART-TIME ACTIVE DUTY. TO DO SO EFFECTIVELY, HOWEVER, PAY AND BENEFITS TO RESERVISTS MUST BE INCREASED.

"THE NET SAVINGS TO SHIFTING THE FORCE STRUCTURE IN EACH OF THE SERVICES FROM FULL-TIME ACTIVE DUTY TO PART-TIME TRAINED RESERVE WOULD BE ABOUT A 40 PERCENT NET REDUCTION BELOW THE COST OF MAINTAINING THOSE UNITS IN THE ACTIVE FORCE."

IT IS OBVIOUS FROM THE DISCUSSIONS ABOVE THAT SOME AUTHORITIES ARE RECOMMENDING DRASTIC AS WELL AS FUNDAMENTAL CHANGES ENCOMPASSING NOT ONLY THE SIZE OF THE RESERVE, BUT ALSO THE WAY IT IS MANAGED. REGARDLESS OF THEORETICAL

DISCUSSION THE PRAGMATIC DECISIONS REQUIRED TO ACCOMMODATE THE NEAR TERM BUDGET CRUNCH MAY LARGELY DETERMINE RESERVE FORCE SIZE AND TOTAL FORCE MIX.

THUS, THE REAL DEBATE MAY CENTER AROUND NOT WHAT MISSIONS THE RESERVES CAN ACCOMMODATE, BUT RATHER WHAT STRUCTURE AND MISSIONS MUST BE TOTALLY DELETED FROM THE NATION'S WARFIGHTING CAPABILITY IF THE RESERVE COMPONENTS CANNOT ASSUME THE TASKING. IN THIS VOLATILE ENVIRONMENT, CAUTION MUST BE EXERCISED AS FORCE MIX DECISIONS ARE MADE.

THE PREVENTION OF A RETURN TO THE "HOLLOW" FORCE OF THE 70'S IS A MATTER OF THE HIGHEST PRIORITY AND MUST BE AVOIDED.

THE NAVAL RESERVE ASSOCIATION IS CONCERNED THAT AN EQUALLY DANGEROUS "HOLLOW" FORCE IS NOT CREATED IN THE RESERVE SEGMENT OF THE TOTAL FORCE. IN OUR VIEW THE EQUIPMENT NEEDS OF THE CURRENT NAVAL RESERVE HARDWARE UNITS MUST BE ADDRESSED ADEQUATELY BEFORE ADDITIONAL MISSION TASKING IS ASSIGNED TO THE NAVAL RESERVE. ALSO THE MATTER OF NAVAL RESERVE PROCUREMENT SHOULD BE ADDRESSED. THE CURRENT METHOD PROVIDES RESERVE HARDWARE BY ASSIGNING ACTIVE DUTY FALLOUT EQUIPMENT TO THE RESERVES AND PROCUREMENT OF NEW EQUIPMENT TO THE RESERVE UNITS LARGELY THROUGH CONGRESSIONAL ADD-ONS. THAT THERE IS NO DEDICATED RESERVE PROCUREMENT ACCOUNT IN THE DOD BUDGET SUBMISSION (NOTE: SEPARATE RESERVE ACCOUNTS EXIST FOR MANPOWER, OPERATIONS AND MAINTENANCE AND MILITARY CONSTRUCTION) IS A SERIOUS FLAW AND CONTRIBUTES TO RESERVE UNITS BEING PARTIALLY EQUIPPED OR, WORSE YET, EQUIPPED WITH HARDWARE THAT IS NOT CAPABLE NOR SUPPORTABLE IN PLANNED COMBAT ENVIRONMENTS.

AS INCREASED RELIANCE IS PLACED ON THE RESERVE COMPONENTS, EQUIPMENT BECOMES INCREASINGLY IMPORTANT AS THE TIME TO RE-EQUIP AND RE-TRAIN AFTER MOBILIZATION

ESSENTIALLY DOES NOT EXIST.

HISTORY HAS SHOWN THIS TO BE TRUE. THE LAST MAJOR CALL-UP OCCURRED IN THE NAVAL RESERVE IN 1968. SIX NAVAL AIR RESERVE SQUADRONS WERE CALLED TO ACTIVE DUTY. NINE MONTHS LATER THEY WERE RELEASED. NONE WERE COMBAT DEPLOYED, THEIR ENTIRE TIME WAS SPENT IN TRANSITIONING TO COMBAT CAPABLE EQUIPMENT AND PRE-DEPLOYMENT WORKUP.

THE FOLLOWING STATEMENTS FROM THE THEN COMMANDER NAVAL AIR RESERVE FORCE, RADM W.S. GUEST, USN ARE AS RELEVANT TODAY AS THEY WERE IN 1969. THEY SHOULD BE HEEDED. RADM GUEST STATED IN A POST-MOBILIZATION ASSESSMENT THE FOLLOWING:

> "THE MOST IMPORTANT LESSON LEARNED BY THIS CALL-UP IS THAT FIRST-LINE AIRCRAFT AND WEAPONS SYSTEMS ARE THE KEY TO HAVING A FULLY EFFECTIVE NAVAL AIR RESERVE. IN ANY FORESEEABLE CONTINGENCY, AS PROVEN IN PAST CALL-UPS, IMMEDIATE RESPONSE IS AN ALL IMPORTANT FACTOR. THERE MAY NOT BE ENOUGH TIME AFTER RECALL TO PRODUCE NEW AIRCRAFT AND EQUIPMENT. THEREFORE, THE NAVAL AIR RESERVE MUST, ON A CONTINUING BASIS, BE OUTFITTED WITH AIRCRAFT THAT ARE CAPABLE OF STARTING FLEET OPERATIONS IN A MATTER OF HOURS OR A FEW DAYS.
>
> "THIS WOULD CORRECT THE CURRENT SITUATION WHEREIN OUR ATTACK AND FIGHTER JET SQUADRONS DO NOT NOW HAVE FIRST-LINE AIRCRAFT WHICH COULD BE USED IN COMBAT, SUCH AS IN VIETNAM.
>
> "AT THE TIME OF THE JANUARY RECALL, THE NAVY WITH ITS AUSTERE INVENTORY OF AIRCRAFT, WASN'T IN A VERY GOOD POSITION

> TO OUTFIT RECALLED RESERVE SQUADRONS WITH FIRST-LINE AIRCRAFT EQUIPPED WITH ADVANCED WEAPONS SYSTEMS. BUT ANY CONTENTION THAT THE NAVY WAS NOT PREPARED TO ABSORB THE SIX SQUADRONS IS ERRONEOUS. IT WOULD BE ILLOGICAL TO SAY THAT OUR NAVY, WITH ITS HEAVY COMMITMENTS WORLD-WIDE, WAS UNABLE TO USE ADDITIONAL SQUADRONS GAINFULLY. BUT THE FACT REMAINS THAT EXTRA ATTACK AND FIGHTER AIRCRAFT JUST DIDN'T EXIST IN THE FLEET. SO OUR RESERVE SQUADRONS HAD TO AWAIT RE-PROGRAMMING OF FLEET INVENTORIES TO PROVIDE THEM WITH THE TYPES OF VA/VF AIRCRAFT CONSIDERED SUITABLE FOR USE IN THE CURRENT COMBAT ENVIRONMENT."

RADM GUEST CONTINUES AS FOLLOWS:

> "THE CRUX OF AN EFFECTIVE RESERVE GETS BACK TO THE FIRST PART OF THIS ARTICLE REGARDING EQUIPMENT. IF WE WANT A RESERVE THAT IS FULLY EFFECTIVE, THEN WE MUST BE WILLING TO PROVIDE IT WITH THE KIND OF EQUIPMENT NEEDED IN THE EVENT OF A RECALL.
>
> "WITH FIRST-LINE EQUIPMENT, OUR NAVAL AIR RESERVE WILL BE ABLE TO RESPOND TO A CALL-UP AS A TRUE FORCE IN BEING - IMMEDIATELY USABLE. WITHOUT PROPER EQUIPMENT, IT CAN ONLY PROVIDE PARTIAL TRAINING WHICH WILL HAVE TO BE COMPLETED BY THE FLEET AFTER RECALL."

THE NAVAL RESERVE ASSOCIATION WILL ADDRESS THE FOLLOWING KEY ISSUES AFFECTING NAVAL RESERVE FORCE COMBAT READINESS AND CAPABILITY:

- ANTI SUBMARINE WARFARE
  - P3 INVENTORY
  - P3A/B IMPROVEMENTS IPADS
  - LAMPS MKI UPGRADE
- RESERVE TACTICAL AIRWINGS
- NAVAL RESERVE FRIGATES
- MINE WARFARE AND COOP PROGRAM
- RESERVE PERSONNEL

ANTI SUBMARINE WARFARE

THE NAVAL RESERVE FORCE STRUCTURE IS HEAVILY ORIENTED TOWARD ANTI-SUBMARINE WARFARE. THE 13 RESERVE VP SQUADRONS, 3 HSL SQUADRONS AND THE 26 FRIGATES COMPRISE THE GREATEST PERCENTAGE OF RESERVE FORCE ASSETS. UNFORTUNATELY, THE AGE OF THE EQUIPMENT ASSIGNED REQUIRES THAT THEY BE UPGRADED TO MEET THE CURRENT THREAT. THE NAVAL RESERVE ASSOCIATION HAS PROPOSED OVER THE PAST SIX YEARS A SERIES OF EQUIPMENT UPGRADES TO THIS OLD EQUIPMENT. SOME OF OUR PROPOSALS HAVE BEEN INCORPORATED ALREADY AND OTHERS ARE CURRENTLY IN THE FINAL STAGE OF DEVELOPMENT.

ALTHOUGH THE SOVIET SUBMARINE THREAT IS FORMIDABLE AND CONTINUES TO GROW IN CAPABILITY IT IS NOT WIDELY UNDERSTOOD AND AT TIMES DOES NOT RECEIVE THE ATTENTION IT DESERVES. NAVY LEADERS OVER THE LAST SEVERAL YEARS HAVE IDENTIFIED THE SOVIET SUBMARINE AS THE "NUMBER ONE THREAT" OR A "POTENTIAL WAR STOPPER". ALMOST EVERY POSTURE STATEMENT OF THE PAST SEVERAL YEARS REITERATES THE SAME THEME. SECRETARY OF THE NAVY JOHN H. LEHMAN IN HIS FY87 POSTURE STATEMENT STATED:

> "Every American should be aware, for example, that Soviet nuclear submarines operate continuously off our coasts. 'Victor'-class nuclear attack submarines are routinely found lurking near many of our principal naval ports. Soviet surface units are now making regular deployments to the contentious and vulnerable choke-points of the Caribbean Sea and Gulf of Mexico. Worldwide, we find the Soviet Navy astride the vital sea-lanes and navigational chokepoints, through which most of the Western world's international trade must pass. This is the new reality. The pattern of Soviet naval deployments has revealed itself only over the last several years. These deployments constitute a post-World War II change in the global military balance of power that has been surpassed only by the advent of thermonuclear weapons. No planner, civilian or military, can ignore the growing dimensions of Soviet maritime power."

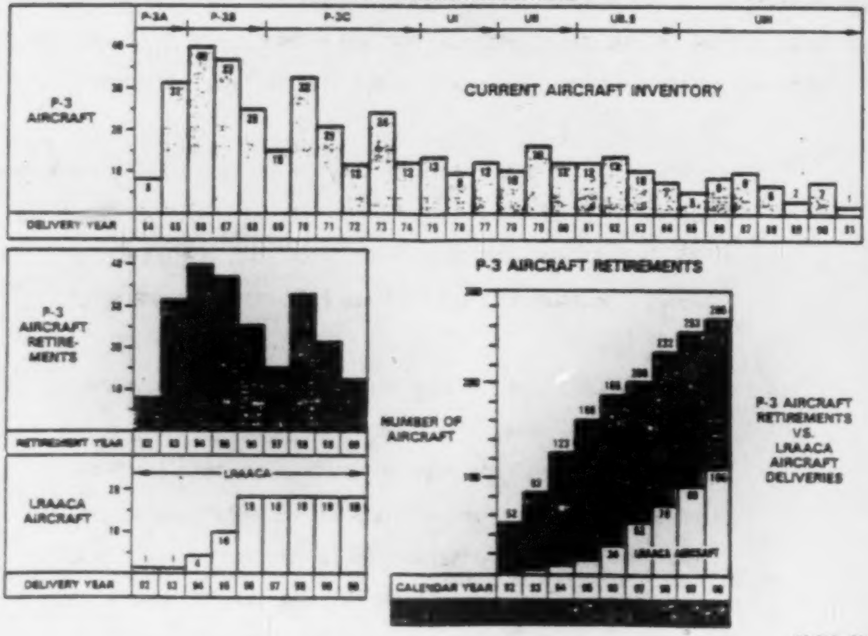
Admiral C.A.H. Trost reiterated the same concerns in his FY90 posture statement quoted earlier.

Reserve Maritime Patrol (VP) Squadrons

The thirteen reserve VP squadrons are the mainstay of the reserve force and comprise 35% of the total Navy VP Force. Since 1984 the Naval Reserve Association has expressed growing concern about the block obsolesence and inventory shortfall of the P3 aircraft assigned to the reserve program. The Naval Reserve Association has urged early action to avoid a crisis management environment in this most important area. Sadly, successive "plans" to alleviate

THE INVENTORY PROBLEM HAVE FAILED TO MATERIALIZE. NEW P3C PRODUCTION WAS TERMINATED, THE "P3D" PLAN, PROPOSED IN 1985 AND SCHEDULED TO PRODUCE 25 AIRCRAFT PER YEAR IN 1989, WAS TERMINATED. THE COMPETITIVELY BID P3C CALLED THE P3G PROCUREMENT PLAN DID NOT MATERIALIZE. IT EVENTUALLY EVOLVED INTO THE CURRENT LRAACA PROCUREMENT PROGRAM. THIS PROGRAM IS CURRENTLY IN EARLY DEVELOPMENT WITH INITIAL DELIVERY IN 1992 BARING TECHNOLOGICAL OR FUNDING DELAYS. UNFORTUNATELY, THERE HAS BEEN SO MUCH SLIPPAGE IN LRAACA PROCUREMENT, EVEN IF IT STAYS ON SCHEDULE, SEVERE INVENTORY SHORTAGES WILL OCCUR IN THE RESERVE INVENTORY. THE CHART BELOW GRAPHICALLY DISPLAYS THE P3 INVENTORY PROBLEM.

MARITIME PATROL AIRCRAFT
TOTAL FORCE LEVEL PROJECTIONS



03-008 80405

THE CHART IS BASED ON A 28 YEAR DESIGN SERVICE LIFE OF THE P3. THERE IS A BELIEF IN SOME CIRCLES THAT THEY CAN BE OPERATED 30 YEARS WITHOUT SLEP. IN ANY EVENT, THE 30 YEAR SERVICE LIFE DOES NOT SIGNIFICANTLY ALTER THE BASIC PROBLEM. IN YEAR 2000 THE SHORTFALL IS 125 AIRCRAFT VICE 159 (IF A 30 YEAR LIFE IS UTILIZED), AND THE AGGREGATE SHORTFALL STILL REMAINS GREATER THAN THE TOTAL NAVAL RESERVE INVENTORY OF P3'S.

IN ORDER TO MAINTAIN THE VP TOTAL FORCE STRUCTURE OF 37 OPERATING SQUADRONS, FLEET REPLACEMENT SQUADRONS, RDT&E AND ATTRITION AIRCRAFT, 460 AIRCRAFT ARE REQUIRED. BASED ON AN AIRCRAFT SERVICE LIFE OF 30 YEARS, AN ANNUAL STEADY RATE DELIVERY OF 15 NEW AIRCRAFT IS NECESSARY TO MAINTAIN THE REQUIRED INVENTORY. A QUICK REVIEW OF THE CHART REVEALS THAT ONLY ONCE SINCE 1972 HAS THE FLEET RECEIVED GREATER THAN THE 15 AIRCRAFT TO SUSTAIN THE TOTAL INVENTORY.

FURTHER REVIEW OF THE CHART ABOVE REVEALS THE FOLLOWING FACTS WHICH GRAVELY AFFECT THE RESERVE VP FORCE.

- P3C BUDGET FOR CONTINUED PRODUCTION WAS TERMINATED IN 1987. CONSEQUENTLY, THE LAST NEW P3C ARRIVES IN THE FLEET IN CY 1991.
- NEW LRAACA'S DON'T REACH THE FLEET OPERATING SQUADRONS UNTIL 1996, A BREAK OF 5 YEARS.
- NEW LRAACA'S MAY NOT FREE UP FLEET ASSETS TO FLOW TO THE RESERVE ON A ONE FOR ONE BASIS AS THE FLEET HAS ALREADY HAD TO USE PIPE/ATTRITION P3C'S TO MEET OPERATIONAL SHORTAGES. THUS, SOME CURRENT OPERATING P3C'S MUST BE DIVERTED TO MEET FLEET PIPELINE AIRCRAFT REQUIREMENTS WHEN LRAACA IS INTRODUCED. THE FLEET IS CURRENTLY SHORT 44 P3C PIPELINE AIRCRAFT.

- o All P3A/Bs, including active force P3B's at Barbers Point, (a total of 126) will have reached the end of their service life by 1997, ie, before LRAACA comes on line in any significant numbers!
- o By the year 2000, eighty (80) of the early P3C's have also reached the end of their service life.

The arithmetic is tragically simple. In aggregate, a total loss of 206 operating fleet and reserve squadron aircraft are replaced by a total buy of 125 LRAACA!

When the additional requirement of Fleet Training Squadrons, attrition pipe aircraft and RDT&E are included, the Total Force shortfall reaches 159 aircraft by the year 2000.

LRAACA

Clearly, the long range solution to the VP aircraft inventory shortage is the development and production of LRAACA. As the Soviet submarine force improved in sophistication it also improved in range, endurance, quieting and weapons, particularly missiles, ie, both ballistic and sea launched cruise missiles. These Soviet submarine improvements have in turn pressed to the limits the ability of the P3C airframe to accommodate the upgrades necessary to meet the new generation threat. Additional range, mission payload, as well as more interior space to accommodate additional avionics, dictates that a new, larger, longer range and increased payload airframe is the ultimate answer. To put it simply, the P3 airframe has finally exhausted its growth capability. Additionally, much of the P3 equipment, cockpit display and instrumentation, communication and navigation gear, is 1950's technology which is becoming increasingly difficult to maintain and sustain as the industrial base moves forward into new industry and airline glass cockpit standards. It is essential that follow-on P3C procurement should be based on acquisition of a modern in-production airframe mated with the latest ASW avionics suite, ie, UDIV.

Recommendation

The Naval Reserve Association recommends that the LRAACA development program be funded in FY90/91 and fully funded in outyear procurement.

Improved Processing and Display System (IPADS) for P3A/B Aircraft

Regardless of the success of the LRAACA program, if the current 37 squadron force level is to be maintained continued use of the existing inventory of P3B aircraft will be required. In order for these aircraft to be able to function against the near term soviet threat the current suite of acoustic processors and displays must be improved. The IPADS system which has been under development for several years is undergoing operational evaluation and testing this summer. This system was designed to give the P3A/B the equivalent acoustic processing capabilities of the UDIII system currently in the fleet. The number of processed channels is doubled from 16 to 32 (double the current UDIII capability) and for the first time there is provided 16 channels with broadband and DIFAR triple verniers. Funding for this critical program is essential if Reserve Force ASW capability is to be maintained.

Recommendation

The Naval Reserve Association strongly recommends that funding of $65

MILLION IN FY90 AND $70 MILLION IN FY91 BE PROVIDED IN THE GUARD AND RESERVE PROCUREMENT ACCOUNT TO INSTALL THE IPADS SYSTEM ON RESERVE FORCE P3A/B AIRCRAFT.

SH2 LAMPS MKI UPGRADE

ALTHOUGH MODERNIZATION OF THE NAVAL RESERVE SH2 LAMPS MKI HELICOPTER HAS BEEN AN ONGOING EFFORT SINCE 1986, IT HAS ESSENTIALLY BEEN SUSTAINED BY CONTINUED STRONG CONGRESSIONAL SUPPORT OVER THE YEARS. ONCE AGAIN, THIS YEAR'S DOD BUDGET CONTAINS NO FUNDING FOR THIS CRITICAL UPGRADE. THE NRA BELIEVES THAT THESE UPGRADES, WHICH INCLUDE INSTALLATION OF T-700 ENGINES, ON BOARD ACOUSTIC PROCESSING, 99 CHANNEL SONOBUOY RECEIVER IMPROVED DATA BASE, TACTICAL MISSION COMPUTER AND AIRCRAFT TO SHIP DATA LINK, ARE ESSENTIAL TO CONTINUED EFFECTIVE SUBMARINE OPERATIONS AND THAT THIS PROGRAM SHOULD BE FUNDED AGAIN THIS YEAR IN THE GUARD AND RESERVE PROCUREMENT ACCOUNT.

A REVIEW OF THE CURRENT UPGRADE PROGRAM FOLLOWS:

THE SH-2G RESERVE BLOCK UPGRADE PROGRAM WAS FUNDED BY CONGRESS IN FY88/89 AT $55 MILLION AND $45 MILLION, RESPECTIVELY (WHILE SIX RETROFIT KITS WERE ENVISIONED IN EACH YEAR, IT IS LIKELY THAT FY88 FUNDS WILL BE SPENT ON NO MORE THAN 2 RETROFIT KITS WHILE THE SIGNIFICANT PORTIONS OF THE REMAINING FUNDS WILL BE DELEGATED TO TRAINING AND LOGISTIC SUPPORT REQUIREMENTS. FY89 FUNDS ARE EXPECTED TO PROCURE SIX BLOCK UPGRADE KITS FOR THE RESERVES).

RECOMMENDATION

THE NAVAL RESERVE ASSOCIATION STRONGLY SUPPORTS THE ADDITION OF $45 MILLION IN FY90 AND $45 MILLION IN FY91 TO PROVIDE FUNDING FOR THIS CRITICAL ONGOING

MODERNIZATION PROGRAM.

RESERVE TACTICAL AIRWINGS

THE TWO NAVAL AIR RESERVE TACTICAL AIRWINGS A6/KA6 MODERNIZATION HAS BEEN SLOWED AND MAY, IN FACT, BE TERMINATED BECAUSE OF A CRITICAL INVENTORY OF A6E AIRCRAFT. THE FY90/91 BUDGET CONTAINS NO FUNDING FOR CONTINUED A6 PRODUCTION. THIS EARLY TERMINATION OF A6 PROCUREMENT, COMBINED WITH THE ADDITIONAL OPERATIONAL INVENTORY SHORTAGES CAUSED BY THE REQUIREMENT TO REWING EXISTING A6 AIRCRAFT, HAS NECESSITATED THE DELAY OF THE A6 TRANSITION INTO THE NAVAL RESERVE AIR WINGS. EVEN IF THE ATA PROCUREMENT PLAN REMAINS ON SCHEDULE A SIGNIFICANT SHORTAGE OF A6 ASSETS WILL REMAIN.

THE NAVAL AIR RESERVE REQUIRES ONE A6 SQUADRON CONSISTING OF 10 A6E AND 4 KA6D IN EACH OF ITS AIRWINGS. CURRENTLY, THE FIRST SQUADRON HAS COMMENCED TRANSITION AND HAS 4 A6E'S AND 3 KA6D ON BOARD. THE SECOND SQUADRON WAS SCHEDULED TO BEGIN TRANSITION IN LATE 1990.

AS OF NOW, ALL A6 TRANSFERS TO THE RESERVES HAVE BEEN STOPPED AND THE SECOND SQUADRON'S TRANSITION HAS BEEN DELAYED AT LEAST ONE YEAR.

IN THE PAST, CONGRESS HAS SUPPORTED RESERVE A6E TRANSITION BY ADDING FUNDS TO BOTH FY86/87 BUDGETS TO PROVIDE 5 AIRCRAFT EACH YEAR FOR THE NAVAL RESERVE. CURRENTLY THE RESERVE AIRWING REQUIRES 16 A6E OPERATING AIRCRAFT TO COMPLETE THIS MOST IMPORTANT TRANSITION.

RECOMMENDATION

The Naval Reserve strongly recommends the addition of $359 Million in FY90 and a like amount in FY91 to procure 8 aircraft each year to complete the most critical Naval Air Reserve transitions.

Naval Reserve Frigates

The Naval Reserve Association believes the current inventory of Reserve Force frigates must have their service life extended if the Total Force requirements are to be met. For the past five years the Naval Reserve Association has recommended procurement actions to improve the anti-submarine warfare capability of these frigates. As a result of these actions, and continued strong congressional support, all of the 1052 class and twelve of the FFG-7 have been or will be equipped with new towed arrays (AN/SQR-18) and on board signal processors (AN/SQR-17A). Further, the installation of the FF Integrated Shipboard Tactical System (FFISTS) in the Reserve Force 1052s significantly increases the efficacy of the new ASW sensor and signal processor upgrades. The Naval Reserve Association believes that the FFISTS program should also be installed in the Naval Reserve Force FFG-7 ships as well.

These shipboard improvements, when combined with the ongoing SH2 LAMPS MKI upgrade, enable these Reserve Force ships to be highly effective ASW combatants.

There are additional improvements that are currently available that would, at a nominal cost, greatly enhance the Naval Reserve Force frigate capability.

The prime assigned mission of the Reserve Force frigates is to conduct convoy escort ASW missions. The nature of this tasking requires ASW flight operations to be conducted in waters of the North Atlantic. The ability to

CONDUCT CONTINUOUS AIR OPERATIONS IN THIS ENVIRONMENT IS CRITICAL TO SUCCESSFUL MISSION ATTAINMENT. TODAY, BECAUSE THE 1052 AND RESERVE FORCE FFG-7 DO NOT HAVE A HELICOPTER ARRESTMENT CAPABILITY FLIGHT OPERATIONS ABOVE SEA STATE TWO, ARE RESTRICTED AND, IF NECESSARY, IN WARTIME WOULD BE A HIGH RISK VENTURE.

THE NATO NAVIES WHO NORMALLY OPERATE HELICOPTERS IN THIS HARSH ENVIRONMENT HAVE DESIGNED, AND HAVE INSTALLED ON OVER 200 OF THEIR FRIGATES, A DECK GRID ARRESTMENT SYSTEM. THIS DECK GRID, COMBINED WITH A HELICOPTER PROBE, ENABLES THEM TO OPERATE SAFELY IN SEA STATE 4. THE US COAST GUARD, WHICH ALSO MUST OPERATE IN HIGH SEA STATES, HAS ALREADY PURCHASED THIS SYSTEM FOR ITS CUTTERS AND MEDIUM RANGE RESCUE HELICOPTERS. CALLED "TALON", THE SYSTEM COSTS ABOUT $200K PER SHIP AND $90K PER AIRCRAFT.

RECOMMENDATION

THE NAVAL RESERVE ASSOCIATION RECOMMENDS THAT THE PURCHASE AND INSTALLATION OF THIS SYSTEM FOR THE NAVAL RESERVE FORCE FRIGATES AND LAMPS MKI HELICOPTERS BE ACCOMPLISHED AS SOON AS POSSIBLE. THE COST IS NOT EXORBITANT. UTILIZING CURRENT COAST GUARD FIGURES THE TOTAL COST FOR ALL RESERVE FRIGATES AND LAMPS MKI HELICOPTERS WOULD BE APPROXIMATELY $9 MILLION, A COST MORE THAN REPAID IF JUST ONE HELICOPTER IS SAVED.

MCM/MHC/COOP/SUPERCOOP

IT IS APPARENT THAT NOT ENOUGH PROGRESS HAS BEEN MADE SINCE LAST YEAR'S ITERATION OF THE MINE WARFARE PROGRAMS. THE NAVY HAS CONTINUED TO INVEST IN COSTLY, HIGH TECHNOLOGY, SOPHISTICATED, HIGH MIX, MINE COUNTERMEASURE SHIPS. THE LARGE MCM CLASS AND MHC CLASS SHIPS OPERATING LARGE MINE HUNTING SONARS AND

REMOTE NEUTRALIZATION VEHICLES ARE REQUIRED TO SEEK OUT AND DESTROY SOPHISTICATED MINES AT GREAT DEPTHS. HOWEVER, THEY ARE NOT NEARLY AS COST EFFECTIVE IN SHALLOW WATER MINE WARFARE AS LESS CAPABLE AND LESS COSTLY SHIPS.

THE EVENTS IN THE PERSIAN GULF ILLUSTRATED GRAPHICALLY HOW A THIRD RATE NAVY USING UNTRAINED SEAMEN COULD EFFECTIVELY EMBARRASS AND TIE UP THE BEST NAVY IN THE WORLD TODAY. THIS LESSON HAS NOT GONE UNNOTICED BY THE SOVIETS, A POTENTIAL ADVERSARY WITH AN ESTIMATED INVENTORY OF 300,000 MINES OF ALL TYPES AND A MERCHANT FLEET TO DISTRIBUTE THEM. FLEET ADMIRAL CHERNAVIN, CINC OF THE SOVIET NAVY STATED IN THE NAVAL INSTITUTE PROCEEDINGS, "...THE VERY HIGH EFFECTIVENESS OF MINING WAS CONFIRMED. THE PLACING OF A RELATIVELY SMALL NUMBER OF MINES - OUTDATED WORLD WAR II MODELS - SUBSTANTIALLY HAMPERED COMMERCIAL SHIPPING, AND ALSO TIED DOWN SIGNIFICANT NAVAL FORCES. IT IS LOGICAL TO ASSUME THAT MASSIVE USE OF MODERN MODELS OF MINES WOULD CAUSE GREAT DAMAGE TO SEA LANES..."

UNSPOKEN WAS THE FACT THAT THESE MINES COULD ALSO BOTTLE UP NAVY COMBATANTS, SUPPORT SHIPS AND COMMERCIAL TRAFFIC NEEDED TO SUPPORT A WARTIME EFFORT UNTIL THE FEW MINE COUNTERMEASURE VESSELS AVAILABLE NOW AND IN THE NEAR FUTURE COULD CLEAR THE CHANNELS AND KEEP THEM OPEN.

THE NAVAL RESERVE ASSOCIATION SUPPORTS THE NAVY'S MINE WARFARE PROGRAM AS FAR AS IT GOES. THE MCM DESIGN APPARENTLY HAS JELLED AND THE MHC IS MOVING AHEAD ALBEIT WITH MANY UNANSWERED QUESTIONS RAISED IN THE MEDIA AND CONGRESS CONCERNING ITS ESCALATING COST AND SIZE. WITH THE PLANNED PROGRAM COMPLETION OF THE MCM AND THE MHC THE NAVY SHOULD BE ABLE TO PROVIDE REASONABLE DEEP WATER PROTECTION, BUT THE AREA FROM THE PIER TO THE SEA BUOY FOR MOST OF CONUS, ALASKA AND HAWAII REMAINS A WEAK LINK.

The Naval Reserve Force should constitute a key element of the Navy's Mine warfare program. It would seem that with the voices of high officials within the Administration, including the National Security Advisor, and key members of Congress recommending more missions for the Reserves, the concept of small but capable Mine Countermeasures vessels placed strategically in key U.S. ports, manned by locally knowledgeable Naval Reservists, would make good sense. Included in this concept should be an agreement between the Administration and Congress that if mine warfare ships are needed, as they were in the Persian Gulf situation, the Reserve crews would be mobilized and deployed with their hardware using existing authority.

The Naval Reserve Association believes strongly that the Navy ship acquisition program is not responsive to the full spectrum of the mine threat, and should include, as a matter of urgency, a low cost mine countermeasures ship, equipped with a hull mounted minehunting sonar and small mine neutralization vehicle, along with conventional sweep systems for moored and bottom influence mines. All of these systems are available in today's market at relatively low cost. It is envisioned that such a ship can be produced for $15 Million or less, and would also be made available to our friends through the military assistance program or by direct export. The COOPS concept as presently configured was a good idea for providing channel conditioning during peacetime in limited areas where they are located, but COOP vessels are not capable of channel sweeping under wartime conditions. The standard COOP is not equipped to locate and destroy actual mines.

Recommendation

The Naval Reserve Association strongly recommends an expeditious and

OBJECTIVE TESTING OF THE SUPER COOP CONCEPT WHICH THE CONGRESS HAS BEEN RECOMMENDING THE NAVY ACCOMPLISH FOR THE LAST SEVERAL YEARS AND FURTHER THAT IF THESE TESTS CONFIRM THE CAPABILITY OF THE SUPER COOP FOR MINE COUNTERMEASURE OPERATIONS IN THE SHALLOW WATER COASTLINE AREAS OF THE UNITES STATES, THAT EXPEDITIOUS PROCUREMENT OF THIS PROMISING SYSTEM BE ACCOMPLISHED IN SUFFICIENT NUMBERS TO MEET THE THREAT.

C-130 AIRCRAFT

THE NAVAL AIR RESERVE FORCE CURRENTLY PROVIDES ALL THE CONUS AIRLIFT SUPPORT REQUIREMENTS UTILIZING FLEET OF NEW C9B AND USED DC9 TRANSPORTS. THESE AIRCRAFT ARE PRIMARILY PASSENGER LIFTERS AND AS SUCH ARE UNSUITABLE FOR MUCH OF THE OUTSIZED CARGO NAVY AIRLIFT REQUIREMENTS.

ADDITIONALLY, BECAUSE OF THE FEW NUMBERS OF C9S ASSIGNED, LESS THAN 65% OF THE CURRENT CRITICAL PASSENGER AND CARGO LIFT REQUIREMENTS ARE CURRENTLY BEING MET.

REPEATED STUDIES CONDUCTED BY THE NAVY HAVE VALIDATED THE URGENT NEED FOR A C-130 TYPE AIRCRAFT WITH MEDIUM/HEAVY LIFT CAPACITY AND THE ABILITY TO ACCOMMODATE OUTSIZED CARGO ENGINES, HELICOPTER ROTOR BLADES, ETC.

RECOMMENDATION

THE NAVAL RESERVE ASSOCIATION STRONGLY RECOMMENDS THAT $98.1 MILLION BE PROVIDED IN FY90 AND A LIKE AMOUNT IN FY91 TO PROCURE FOUR C130 AIRCRAFT IN BOTH YEARS FOR THE NAVAL AIR RESERVE.

Onboard Anti-submarine Warfare Trainer AN/SQQT1

The ability to train and keep proficient in anti-submarine warfare Naval Reservists assigned to the Naval Reserve Force Ships has always been and continues to be a most demanding task. Compounding the traditional low availability of training time with fleet submarines is the limited time that the Reservist is in training duty status. Additionally, Reserve Force ships are often homeported considerable distances from fleet training sites. Transit time to fleet operational areas offers little or no opportunity for ASW training.

Congress, recognizing these inherent readiness training difficulties, provided $6.8 million in FY87 for the development of an onboard ASW trainer for the Naval Reserve Force ships. This trainer, designated the AN/SQQT1, has been produced and tested. Three trainers have been delivered to the Naval Reserve. The quality of the training provided by these devices is outstanding and allows shipboard ASW personnel to significantly enhance their readiness and operational skills at pierside, in transit or at home port and to do it cheaply without expending scarce O & MN funds for fleet services and ship steaming hours.

Recommendation

The Naval Reserve Association strongly recommends that $14 million be provided in the Guard and Reserve procurement account in FY90 to procure the AN/SQQT1 trainer for all the Reserve Force frigates.

Reserve Manpower

The Naval Reserve Association fully supports the DOD budget submission

RELATIVE TO NAVAL RESERVE MANPOWER AND RESERVE STRENGTH.

THE CRITICAL BUDGET CONSTRAINTS IN THE YEARS AHEAD WILL PLACE INCREASING IMPORTANCE ON RESERVE STRUCTURE AND MANNING. IN THIS ENVIRONMENT STABILITY IN NAVAL RESERVE MANNING WILL BE CRITICAL. THEREFORE, THE RETENTION OF CURRENTLY ON BOARD TRAINED AND COMBAT READY INDIVIDUALS IS VITALLY IMPORTANT.

UNFORTUNATELY, AT THIS TIME THERE EXISTS A NUMBER OF UNSETTLING PROPOSALS WHICH ARE COUNTER PRODUCTIVE TO BOTH RECRUITING AND RETENTION.

THE NAVAL RESERVE ASSOCIATION IS STRONGLY OPPOSED TO ANY CHANGES TO THE CURRENT RETIREMENT SYSTEM FOR EITHER ACTIVE DUTY OR SELECTED RESERVE PERSONNEL. FURTHER, THE MILITARY RETIREMENT SYSTEM SHOULD NOT BE SINGLED OUT AS A TARGET WHEN OTHER VETERAN AND SOCIAL SECURITY RETIREMENT SYSTEMS ARE LEFT UNTOUCHED.

PARTICULARLY DISTRESSING IS THE OPTION CONTAINED IN THE CONGRESSIONAL BUDGET OFFICE REPORT ENTITLED, "REDUCING THE DEFICIT: SPENDING AND REVENUE OPTIONS", WHICH CONTAINS THE OPTION OF TERMINATING ALL RESERVE RETIREMENT BENEFITS AFTER THE END OF FISCAL YEAR 89.

THE CBO RECOMMENDATION READS AS FOLLOWS:

> "IN 1986, AFTER DECADES OF DISCUSSION, THE CONGRESS MODIFIED THE RETIREMENT SYSTEM FOR ACTIVE-DUTY MILITARY PERSONNEL. ACTIVE-DUTY PERSONNEL WHO COMPLETE 20 OR MORE YEARS OF SERVICE ARE ELIGIBLE TO TRANSFER TO THE RETIREMENT ROLLS; THEY REMAIN LEGALLY SUBJECT TO RECALL DURING NATIONAL EMERGENCY AND RECEIVE RETIREMENT BENEFITS, CALLED RETIRED

PAY, BASED ON LENGTH OF SERVICE AND AVERAGE HIGHEST THREE YEARS' PAY. THESE BENEFITS WERE RESTRUCTURED TO ENCOURAGE LONGER MILITARY CAREERS, TO PROVIDE ADEQUATE RETIRED PAY DURING OLD AGE, AND TO GENERATE SAVINGS FOR THE TAXPAYER. CHANGES IN THE RETIREMENT SYSTEM FOR PART-TIME RESERVE PERSONNEL WERE DEFERRED, HOWEVER, PENDING THE REPORT OF THE SIXTH QUADRENNIAL REVIEW OF MILITARY COMPENSATION. THIS REPORT IS CURRENTLY AWAITING RELEASE BY THE DEPARTMENT OF DEFENSE.

"UNLIKE RETIRED PAY FOR ACTIVE-DUTY PERSONNEL, WHICH WAS FIRST PROVIDED FOR VETERANS OF THE CIVIL WAR ERA, RESERVE RETIREMENT IS A RELATIVELY NEW PROGRAM DATING ONLY FROM 1948. RESERVISTS ARE ENTITLED TO RECEIVE RETIRED PAY AFTER 20 YEARS OF CREDITABLE SERVICE, OF WHICH AT LEAST THE LAST EIGHT MUST BE SERVED IN A RESERVE COMPONENT. UNLIKE ACTIVE-DUTY PERSONNEL WHO CAN RECEIVE RETIRED PAY IMMEDIATELY UPON RETIREMENT, RESERVISTS MUST WAIT UNTIL AGE 60. RESERVISTS, RETIRED PAY IS CALCULATED IN A MANNER SIMILAR TO THAT FOR ACTIVE-DUTY RETIREES, ON THE BASIS OF LENGTH OF SERVICE AND AVERAGE HIGHEST THREE YEARS' PAY.

"THE UNITED STATES IS THE ONLY COUNTRY THAT OFFERS RETIREMENT BENEFITS TO RESERVISTS.

"TO REDUCE THESE COSTS THIS OPTION WOULD TERMINATE THE RESERVE RETIREMENT PROGRAM FOR THOSE ENTERING THE RESERVE COMPONENTS AFTER THE END OF FISCAL YEAR 1989. OUT OF

> CONSIDERATIONS OF EQUITY, CBO'S ESTIMATES OF THE SAVINGS FROM TERMINATION ASSUME FULL GRANDFATHERING OF ALL CURRENT RESERVISTS UNDER THE PRESENT RETIREMENT SYSTEM. NO NEW RESERVISTS, HOWEVER, INCLUDING THOSE WHO ENTER THE RESERVES FROM ACTIVE DUTY, WOULD BE ELIGIBLE TO ACCUMULATE BENEFITS. UNDER THIS APPROACH, SAVINGS IN ACCRUAL CHARGES FOR RESERVE RETIREMENT WOULD GROW STEADILY, AS SHOWN IN THE ABOVE TABLE. SAVINGS IN TOTAL FEDERAL OUTLAYS, HOWEVER, WOULD NOT BE REALIZED FOR MANY YEARS."

RECOMMENDATION

THE NAVAL RESERVE ASSOCIATION STRONGLY OPPOSES THIS OPTION OF THE CONGRESSIONAL BUDGET OFFICE. FURTHER, IMPLEMENTATION OF THIS PROPOSAL WILL, IN OUR VIEW, DEGRADE THE ATTRACTIVENESS OF AFFILIATING WITH THE NAVAL RESERVE TO THE EXTENT THAT FORCE READINESS AND CAPABILITY WILL BE SEVERELY DAMAGED. THE NAVAL RESERVE ASSOCIATION BELIEVES ANY CHANGES TO THE RESERVE RETIREMENT SYSTEM SHOULD RESULT FROM THE ESTABLISHED QUADRENNIAL REVIEW BOARD PROCESS AND NOT BE MANDATED UNILATERALLY IN A BUDGET CUTTING EXERCISE. THE POTENTIAL IMPACT OF SUCH DRASTIC MEASURES ON THE VIABILITY OF THE TOTAL FORCE ARE TOO GREAT.

FURTHER, "GRANDFATHERING" STATEMENTS HAVE ABSOLUTELY NO CREDIBILITY. ONE ONLY HAS TO LOOK TO THE RECENT HISTORY OF THE 1986 MILITARY RETIREMENT REFORM ACT WHEREIN ALL CURRENT ACTIVE DUTY AND RETIRED WERE "GRANDFATHERED" RELATIVE TO COLA PROTECTION. THAT "GRANDFATHER" GUARANTEE DID NOT LAST 36 MONTHS FROM ENACTMENT BEFORE THIS YEAR'S COLA-1 WITH A "GRANDFATHERED" ONE TIME AGE 62 CATCH UP PROPOSAL WAS MADE IN THE FY 90/91 BUDGET PROPOSAL.

Mr. **Murtha**. We agree that ASW is one of the national priorities. We will take a look at it, and appreciate your suggestions. Thank you very much.

Captain **Buesener**. Thank you very much.

Tuesday, April 25, 1989.

GEORGETOWN UNIVERSITY

WITNESS

SAMUEL HARVEY, VICE PRESIDENT, GEORGETOWN UNIVERSITY

Introduction

Mr. **Murtha**. Our next witness is from Georgetown University, Mr. Samuel Harvey.

Statement of Mr. Harvey

Mr. **Harvey**. Thank you, Mr. Chairman.

First let me give the regrets of Mary Albert. She is in Kentucky awaiting the birth of her first grandchild.

ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

I have three matters on which I would like to comment on briefly. The first is the Armed Forces Health Professions Scholarship program.

The university would like to commend this program, which works extremely well. It is a program in which students are enrolled on scholarships for their medical school training. They are commissioned as officers and receive tuition fees, books, transportation and a living stipend. After graduation, they serve as medical officers.

The program has about 3,700 students in it nationwide, and we have 111 of those at Georgetown. They are the cream of the crop and we think they serve the armed forces very well.

DIGITAL IMAGING NETWORK SYSTEM

The second area I would like to comment on is something called the Digital Imaging Network System. The DINS project for short is supported by the Army Medical Research and Development Command, and has the objective of improving medical imaging services in combat and peacetime environments.

The DINS concept represents a totally filmless radiology service where image acquisition, display, storage and distribution are managed electronically. The full implementation of this technology will provide increased productivity at significant cost savings, especially in the military health care system.

The university hopes to receive continued medical research and development support, and to remain involved in the DINS project, and the hope is to integrate DINS with the Department of Defense's composite health care system.

CHAMPUS

The latter area deals with CHAMPUS. The university, especially the medical center, has experienced some shortcomings in dealing with CHAMPUS.

We just had a difficult experience where an infant daughter of a Marine sergeant was transferred from Philadelphia to Georgetown when the father was transferred to Quantico. For three and a half years, the young patient was attached to a respirator, and has been confined to our pediatric intensive care unit. CHAMPUS has been reluctant to pay the early and considerable costs related to this care. It has ruled that she is a chronic care patient, but has been of little help in finding a more suitable site for her.

Recently, we were able to locate a private institution in Norfolk where she can receive the quality of care that she needs.

Providers of care to CHAMPUS beneficiaries such as our hospital may need congressional assistance to obtain reimbursement for which they are entitled. We are trying to work it through the system, but we may need to come back to you on it. Those are the three areas, Mr. Chairman. Thank you.

[The statement of Ms. Albert follows:]

TESTIMONY BEFORE HOUSE COMMITTEE ON APPROPRIATIONS, SUBCOMMITTEE ON DEFENSE, TUESDAY, APRIL 25, 1989

Mr. Chairman and Members of the Subcommittee:

I am Mary S. Albert, Director of Government Affairs for the Georgetown University Medical Center. With me is Mr. Samuel Harvey, Vice President of Georgetown University. I regret that Fathers T. Byron Collins, S.J. and William L. George, S.J. cannot join us today.

Georgetown would like to present testimony on three matters: the Armed Forces Health Professions Scholarship Program (AFHPSP); an interesting radiology research program we have been working on for the Army, and CHAMPUS.

Armed Forces Health Professions Scholarship Program (AFHPSP). In this program, students enroll in a scholarship program for their medical school training. They are commissioned as officers, and receive tuition, fees, books, transportation, and a living stipend. They are obligated, upon completion of some or all of their post-graduate training, to serve as medical officers for each year of scholarship support.

This has been a wonderful program for the services, the medical schools in the US (most of which have students in the program) and for the medical students participating in the program. The program has a total of 3700 scholars, more or less evenly divided among the services, and remains the services' major source of medical manpower. At Georgetown, we have 111 students distributed over the four year curriculum. We know that the program has become increasingly competitive. The young men and women selected are the cream of the crop.

We commend you for a program that works very well.

Digital Imaging Network System (DINS). The DINS project, supported by the Army Medical Research and Development Command, has the objective of improving medical imaging services in combat and peacetime environments. The DINS concept represents a totally filmless radiology service where image acquisition, display, storage, and distribution are managed electronically.

In DINS, X-ray images and diagnosis will be readily accessible for viewing in any part of a hospital and the use of the electronic archive will eliminate losses currently experienced in film-based services. When a patient must be transported, he is given a small data card that contains his medical information and images. Images can be transmitted from remote sites to central locations for expert consultation. The full implementation of such technology will provide increased productivity and significant cost savings-especially in the military health care system where the required logistical support for film-based services is very costly and there is a shortage of qualified personnel.

Georgetown University Hospital has been a successfull demonstration site where the full spectrum of available technology has been integrated for clinical evaluation. The project has progressed to a point where it can be applied to existing health care facilities and where it can be incorporated into the planning of new facilities.

The success of DINS at Georgetown represents the completion of an important phase. The concept of DINS is not limited to radiology; it must be fully integrated to the entire Hospital Information System. We hope to receive continued medical Research and Development support and to remain involved with the project to integrate DINS with DOD's Composite Health Care System (CHCS) in both new and existing facilities. Clearly DINS is very important to the entire health care delivery system, and it is extremely important for academic health care centers to be closely involved.

CHAMPUS. Our experience with CHAMPUS has had shortcomings. We have just experienced a difficult and dramatic instance of this: an infant daughter of a Marine Sergeant was transferred from Philadelphia to Georgetown when the father was assigned to Quantico. For three and a half years, this young patient, attached to a respirator, has been confined to our Pediatric Intensive Care Unit. With considerable dedication our physicians and nurses raised the health status of this young patient from a very sick youngster requiring constant acute care to a stabilized chronic care patient on a respirator. CHAMPUS has been reluctant to pay the early (and considerable) costs; has ruled that she is a chronic care patient, but has been of little help in finding a more suitable site for her. Finally, our social workers located a fine private institution in Norfolk where she can receive the developmental support she requires if she is to have life of any quality. She was transferred just last week, largely because Virginia Medicaid ruled her eligible for their benefits, since the mother is residing in the State. We still are discussing with CHAMPUS their responsibility for the expensive past care given this child. The Virginia agencies who have now undertaken support of this child similarly want assurance of continuing support from CHAMPUS. Our understanding is that our problem with CHAMPUS is not unique. Providers of care to CHAMPUS beneficiaries, such as our Hospital, may need Congressional assistance to obtain reimbursement for which they are entitled.

We much appreciate this opportunity to appear before you.

CHAMPUS

Mr. MURTHA. Mr. Harvey, we appreciate what you are saying about CHAMPUS. Two years ago, I was aboard one of the aircraft carriers outside the Persian Gulf and the men were complaining at that time about CHAMPUS. Since that visit, this committee has taken a special interest in CHAMPUS and the other medical services of the armed forces.

We would be delighted to look into your individual problem. One of our staffers who is familiar with CHAMPUS, will talk to you before you leave about this individual incident and any others you may have. I feel very strongly that we have a contract with the men and women who serve in the armed forces and we want to make sure they get the care which that contract provides for them.

Say hello to Father George for us and report to him that I just talked to Deputy Secretary Atwood about the project he is interested in at Georgetown, and we are trying to move it along.

Mr. HARVEY. Thank you very much.

TUESDAY, APRIL 25, 1989.

ASSOCIATION OF CIVILIAN TECHNICIANS

WITNESS

JOHN T. HUNTER, PRESIDENT, ASSOCIATION OF CIVILIAN TECHNICIANS

INTRODUCTION

Mr. MURTHA. The next witness is Mr. John T. Hunter with the Association of Civilian Technicians.

Mr. Hunter.

STATEMENT OF MR. HUNTER

Mr. HUNTER. Good morning, Mr. Chairman, Members. I appreciate the opportunity to once again appear before this committee and present our organization's views on the full-time support within the National Guard.

In this time of profound economic distress, when so much attention will and must be paid to government spending, the active Guard and Reserve program must be examined more carefully than ever before.

FULL-TIME SUPPORT

Full-time support for the National Guard and Reserves is provided by both civilian technicians and AGRs. The AGR costs the taxpayers much more than the civilian technician. In 1975, Congress directed DOD to use the least costly form of manpower in the DOD Appropriations Act of 1975. In 1976, the Defense Manpower Commission, in its report to the President and the Congress, concluded that $270 million could be saved by replacing all Army and Air Force Reserve component technicians with Guardsmen and Reservists on active duty.

In 1977, Major General Francis Gerard, currently the adjutant general of New Jersey, conducted a comprehensive review of the full-time support problem. The Gerard study recommended the retention of the technician program.

COSTS OF CONVERSION

In 1980, Management Consulting and Research, Incorporated, reported there would be no significant cost savings in converting technicians to AGR status, that additional costs could be incurred due to pay and benefit differentials and lower military manpower availability. The MCR report was submitted in November of 1980 to the deputy assistant secretary of Defense for Reserve Affairs.

In 1983, the Surveys and Investigative Staff of this committee reported that the National Guard Bureau's four-sergeants-per-unit plan would cost approximately $115,000 annually per unit. Formerly two technicians did the same job at an approximate cost of $42,000 per year. The Investigative Staff also found that too many management and supervisory positions were being filled with AGRs, and that technicians provided the continuity and stability essential to a part-time Army. The S&I report was dated June 6, 1983.

AGRs are moving into most of the supervisory positions at the expense of technician advancement. In 1985, the GAO said, "An all-civilian technician force would be a less costly alternative than an all AGR force." The GAO study was dated June, 1985, entitled "Problems in Implementing the Army's Reserve Components Full-time Managing Program."

In 1985, the Congressional Budget Office, in its report titled "Improving the Army Reserves," said, "The annual costs for AGRs would rise by over $1.5 billion between 1986 and 1990." The CBO said the average pay rate for AGR personnel is estimated to be at approximately $42,000 per year.

In 1988, the GAO still found management and morale problems due to full-time support programs, civilian technician and AGR performing similar duties with different personnel procedures and different pay and benefits. The GAO report, dated November, 1988, was titled "Opportunities to Improve National Guard and Reserve Policies and Programs."

Years after its origin, the AGR program is still managed with mismanagement. Many individuals are using the AGR program for personal gain, and unqualified AGRs are being assigned.

Technician positions are still being converted through the transfer process. Thousands of AGRs are assigned to non-deployable positions. Technicians, on the other hand, are required by the National Guard Technician Act of 1986 to work, train and deploy with their units.

The current AGR strength is 47,964. The average AGR cost is $42,000, while the average technician cost is $30,000 per year. The DOD could save $600 million annually by replacing AGR personnel with technicians.

SUMMARY

In closing, Mr. Chairman, my recommendations are as follows: One, freeze the AGR strength at fiscal year 1989 levels.

Two, phase out the AGR program through attrition. All full-time support positions should become technician positions controlled by OPM job grading standards. Allow AGR personnel to compete for deployable technician positions as their enlistments expire.

Three, Congress should conduct extensive hearings on the full-time support program in the National Guard and Reserve.

And, four, Defense Appropriations legislation should contain strong language that prevents the conversion of technician positions to AGR status by any method.

Thank you.

Mr. MURTHA. Thank you.

Mr. McDade.

Mr. McDADE. No questions.

Mr. MURTHA. Mr. Miller.

Mr. MILLER. No questions.

Mr. MURTHA. Thank you very much.

[The statement of Mr. Hunter follows:]

ASSOCIATION OF CIVILIAN TECHNICIANS

JOHN T. HUNTER
National President

STATEMENT BY
JOHN T. HUNTER
PRESIDENT OF THE
ASSOCIATION OF CIVILIAN TECHNICIANS
BEFORE THE
SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES
FIRST SESSION, 101ST CONGRESS
APRIL 25, 1989

301-B Commerce Street
Occoquan, VA 22125
Tel. 703-494-4845

"Duty . . . Dedication . . . Dignity"

Mr. Chairman and members of the committee. I appreciate the opportunity to once again appear before this committee and present our organizations views on the full-time support program within the National Guard. I would also like to take this opportunity to express our sincere thanks for your continued support.

In this time of profound economic distress, when so much attention will and must be paid to government spending, the AGR program must be examined more carefully than ever before. However, we do not use the word "value" to mean just the financial cost of the program, but whether or not it has enough intrinsic value to justify its existence.

It is, and has always been, our contention that it is of little value, extremely wasteful, and has failed to live up to its promise. Its minimal value can be traced to the very concept of what the program was supposed to achieve and the way it has been managed. For reasons, which we will make clear, it could not live up to its highly vaunted forecasts. Its failure to live up to the inflated statements uttered by its creators will be easily understood when you hear how AGR's are trained, what it is AGR's do, and how they have been assigned. Truly, it can be said that the AGR program was doomed from the start. Its waste is readily apparent to anyone who examines the high pay and benefits given to AGR's, which at the same time are denied to civilian technicians who do exactly the same work.

The seed for the AGR program was planted in 1975 when Congress directed DOD to use the least costly form of manpower in the DOD Appropriations Act of 1975, Public Law 93-365. In 1976 the Defense Manpower Commission, in its report to the President and Congress, concluded that $270 million could be saved annually by replacing all Army and Air Force reserve component technicians with Guardsmen and Reservists on active duty. The following year Major General Francis Gerard, currently Adjutant General for New Jersey, conducted a comprehensive review of the Full-time support program. The "Gerard Study" recommended the retention of the technician program but a test AGR program was still put into effect.

In its' November 1980 report to the Deputy Assistant Secretary of Defense for Reserve Affairs, Management Consulting & Research Inc. stated there would be no significant cost savings in converting technicians to AGR status and that additional costs could be incurred due to pay and benefit differentials and lower military manpower availability. MCR also reported no measurable change in unit readiness due to the conversion test and that job perfomance showed no significant difference between the dual status technician and full-time military personnel.

In 1983 the Surveys and Investigative Staff of the House Appropriations Committee reported that the National Guard Bureau's "four sergeants per unit" plan would cost approximately $115,000 annually per unit. Formerly, two technicians did the job at an approximate cost of $42,000. Back in the early 1980's it was already apparent that AGRs would cost more than additional technicians but the AGR program continued to grow.

Major General John Conaway, then Director of the Air National Guard, testified before the House Defense Appropriations Subcommittee as follows:

> "I am surprised that the AGRs, who obviously are organized, are not complaining more than the technicians or the technician unions, because AGR personnel are basically discriminated against more than the technicians are when it comes to upward mobility".

This statement flies in the face of the previously cited 1983 S&I Report that found too many management and supervisory positions were being filled by AGRs. AGRs are still moving into most of the supervisory positions at the expense of technician advancement. A majority of AGR personnel are holding military grades of Master Sergeant and above. General Conaway's statement includes refence to technician unions which seem to cause some sort of problem for the National Guard Bureau. However, the 1980 MCR report and subseqent reports found no specific examples of union interference with military activities or unit readiness. Rep. Norman D. Dicks identified the problem during 1981 hearings by the House Defense Appropriations Subcommittee when he said: "I keep hearing that there is kind of an anti-union mentality in the leadership of the Guard".

When the AGR program was first proposed, its alleged benefits were announced with high-flown statements that now only bring a cynical smile to the face of anyone who has studied it. The same is true of all the praise that has been heaped on it since its inception. For example, AGR's were going to be assigned to deployable units. They would then be able to improve the training level of the units and enhance their mobilization readiness. Also, the AGR program was going to provide the Reserve Components with a broad breadth of experienced personnel. They would perform duties which were a departure from the traditional administrative support role performed by civilian technicians and provide units with personnel who had a broad range of military skills. Not only has the AGR program failed to live up to these glowing standards. The Civilian Technician program has managed to consistently prove its superior value. Whatever modest benefits the AGR program has provided, it is in a large part due to the constant help and sustenance provided by technicians. Meanwhile, these modest benefits have been purchased at a very high cost.

It would not be possible for the AGR program to achieve its goal unless its personnel are properly utilized. When we examine the program, we find that one-third of its personnel are not even in deployable units. In some individual states, the percentage is as high as 48%! It also means that most of these AGR's are not mobilizaton assets. The managers of the AGR program have assigned many thousands of AGR's in a manner that can only be characterized as a conspicuous disregard for one of the basic reasons for its creation. The AGR's we are talking about are those which have been assigned to the State Area commands (STARC). These personnel have no specific commitment to report to a mobilization station.

Many of them never will, for their mobilization assignment is to stay behind, within the boundaries of their home states, and perform administrative, security, and housekeeping duties. More than that, some of those STARC personnel have duties that require no combat training, nor are they issued any combat equipment, nor are they assigned to any combat unit. Technicians, by law, must work, train and deploy with their units. This requirement is prescribed by the National Guard Technician Act of 1968, Public Law 90-486.

How far all of this is from the original reasons for the AGR program! How far from the supposedly urgent and necessary fact that AGR's would be placed in combat units, be deployable assets, and get their parent units ready for mobilization and raise their level of training. How far all of this is from the need for AGR's to be at the cutting edge when their units would deploy to their mobilization stations. This serious variation from the initial standards for the AGR program was not sanctioned by the Congress.It was done by the managers of the program and amounted to a self-inflicted wound. It succeeded in bringing the program into greater disrepute than it already had and further weakened any slight arguments in its favor.

But, there are more serious and far-reaching faults with the AGR program, that discredit it completely. AGR's only do work that can, is, or was done by technicians. This is a bed-rock, categorical statement. In most cases, both groups do the same work. Where there is a difference, it is only because the managers of the AGR program will not permit technicians to do them. Most interestingly, those tasks used to be done by technicians. Therefore, we have an act of deception, when friends of the AGR program try to prove its necessity. For years they have tried to demonstrate that AGR's are a special group of employees, separate and apart from technicians. But, no amount of deceptive arguments can alter the truth. It is not true.

We are sure that you can see why it is so important for them to try and maintain the falsehood. How can the AGR program be justified, if AGR's only do work that was always done by technicians, or can be done by technicians? Under those circumstances, what driving, rational reasons can be advanced for the program? How could the friends of the program satisfactorily explain what special benefits were being provided to the Reserve Components? They would have to admit that AGR's were doing nothing new or special, and were identical to civilian technicians. At that point, the reasons for the AGR program would collapse. It would be a tacit admission that technicians could just as well improve the level of training for their parent units, and just as readily get them ready for mobilization. The AGR program would be stripped of any reason for its existence, and be revealed for the sham and fraud it is.

AGR's are not a special group of military personnel, whose workday is devoted to participating in military exercises; nor, do they spend their time abiding by a different set of training and mission requirements, than that which applies to civilian technicians. For example, in the Army National Guard, most AGR's are only an administrative, clerical work force. Contrary to what has already been stated, they do not represent a departure from the administrative support role which technicians have always performed. Any attempt to convey a different impression is fraudulent.

In order for the committee to verify what it is that AGR's are expected to do on a day-to-day basis, it need only examine the published AGR Job Descriptions. After having done so, it would be beyond comprehension for anyone to continue any belief in the lie that AGR's do work that is unlike that which has been done by technicians. AGR's are nothing but a redundancy, who do work, that historically, was the sole province of technicians.

When the proponents of the AGR program say that AGR's alone can, and must be used to improve the status of the Reserve Components, they only reveal their prejudiced and myopic viewpoint. In all probability, they know what the truth is, but must live with a lie. This is necessary for them to keep proping up an unnecessary wasteful program. AGR's do nothing that cannot be done by technicians.

To further underscore the relative values of the AGR and Civilian Technician programs, we now make another categorical statement. Technicians alone are permitted to work in maintenance shops of the Army National Guard. We stress this point, because, at times, it has been said that one reason for the AGR program was to provide well trained, highly skilled, personnel, who would be needed to deal with the new and complex equipment entering the Army's inventory.

However, when a new piece of equipment enters the Army

National Guard inventory, it is technicians alone who encounter it first. It is they who perform the necessary Technicial Inspection, before any equipment is accepted for use. Furthermore, if any equipment is in need of major repair or maintenance, it is technicians who do it. Please keep in mind that we are speaking of the entire scope of such repair from patching a ripped tent, to calibrating sophisticated electronic equipment, to repairing a tank or howitzer, etc. Without fear of contradiction, it can be said that technicians are far more valuable to the Army National Guard than are AGR's. For, not only can they match AGR's, job-for-job in the administrative area, it is they alone who keep equipment up to standard, without which, no unit could enter battle.

As far as the Air National Guard is concerned, we have a somewhat different picture. But, friends of AGR's can take no comfort from it. Once again, AGR's and technicians both perform administrative duties. On the flight line, they are both involved in getting planes ready for flight. But, there is no distinction in the work they do. What one does is done by the other. Is it any wonder that technicians, with many years of experience on the job, ask why AGR's have been satellited upon the Air National Guard? If they do nothing special, why are they here? Why does the Air National Guard need them? Interesting to note, the Air Force Reserve does not embrace the AGR Program. During testimony before the House Defense Appropriations Subcommittee on May 13, 1982, Major Genearl Richard Bodycombe, then Chief of the Air Force Reserve, stated: "As you know, one of the main reasons we have been so successful in maintaining readiness in the Air Force Reserves is our Air Reserve Technician program. " A year earlier he testified that the Air Reserve was very happy with its "mix" of mostly technicians.

We also draw the committee's attention to the fact that many Air National Guard units still have a preponderance of technicians. Those units have participated in joint training exercises with the regular Air Force and have excelled. Now ask yourselves the same questions that technicians have been asking for years. After all, if units with so many technicians, can do so well against the regular Air Force, who needs AGR's? How are AGR's supposed to improve on the status of those units?

More than joint training exercises, there is hardly a day when Air National Guard planes are not on flight missions within and/or outside the continental United States. It is an exemplary record. The men and women of the Air National Guard have every right to take pride in their achievement. But, it would be ludicrous to say that this very fine record was brought about because of the AGR program, or that it played a major role in establishing it. This is due to the fact that there are many technicians still found in Air National Guard units. We ask the committee to remember how new the AGR program is in relation to the Civilian Technician program. Now think of all those technicians who have worked on aircraft for a longer period of time than the entire life-span of the AGR program. It is axiomatic that there is no substitute for experience. Therefore,it is just common-sense reasoning which is needed to come to the conclusion that only technician have the deep quality of skills needed to do all the complex jobs required to keep modern aircraft ready for missions. It is not that AGR's have done nothing. All we ask of the committee, is to recognize that the true strength and backbone of the Air National Guard still comes from its civilian technicians. Adding AGR's was only of dubious and marginal value.

It is not our contention that AGR's do nothing or are worthless. We just want the committee to realize that there is neither a pressing need for them, or that the improved level of readiness in various units is not due to inherent factors in the AGR program. Let us give you just one example of what we mean. It will further illustrate the questionable value of the program and help bring into focus the deception that is sometimes used when the need for AGR's is loudly proclaimed.

Since the very start of the Civilian Technician program, only one technician was employed in many Army National Guard units. That one individual was responsible for administration, supply, and training. When the AGR program started, there was an infusion into those units that was never permitted in the Civilian Technician program. We now have situations where there are four AGR's working in those same units! One specializes in training, one in administration, one in weapons, and one in supply. By the mere expediency of tripling the work force, the status of many units has improved. There is neither magic nor originality in that technique. It would have been amazing if things had not improved.

More work is being done and in a more timely manner, because there are now more people available to handle the rising tide of work that is needed to keep the Army National Guard at a resonable level of combat readiness.

It is almost an embarassment to hear managers of the AGR program try and justify it on the basis of raw numbers alone. It may be the only valid contribution of the AGR program. But, it may be even a greater embarassment to hear AGR program managers try and deal with the concept that the improvements could just as well have been accomplished by hiring more technicians. They have no honest answers.

It is a travesty of logic and a deception of the worst kind, when it is said that AGR's were needed for the improvements. They simply represent additional hands to do the work. What is most significant, is that those hands only do work that was always done by civilian technicians.

It is now important that we examine how the AGR's of both the Air and Army National Guard learned their day-to-day duties. This will further tarnish the image of the AGR program and demonstrate the extent it has gone to in order to gain the skills and knowledge without which they could not function. To an extreme degree, those skills and knowledge were provided by the Civilian Technician program.

At the inception, the AGR program was comprised of technicians alone. They were those who elected to convert to AGR status. There was no need to train them, for their jobs as AGR's were no different than their jobs had been as technicians. Some of those converted technicians still exist. But, what of all the

new and inexperienced personnel off the street to fill the ranks of the AGR program? How were they going to be trained? Who was going to train them? Arrangements were made to send them to various schools. However, in the vast majority of cases, they did not attend those schools until many months after they were hired. In some cases, it was more than a year's delay.
Obviously, the only people available to give AGR's their initial training were technicians. Who else was available? The converted technicians were still few in number. Consequently, it became an almost standard practice for technicains to take new AGR's in-hand, and teach them their day-to-day duties.

This practice continues to this very day. Without technicians, the task of training over 40,000 AGR's would be impossible. Who else knows what has to be done? If any attempt is made to say that formal schooling did this training, it will just be another example of the false and deceptive statements frequently advanced to cover the weaknesses of the AGR program. We have already made reference to the fact that there is no substitute for experience. Formal schooling cannot match working on the job for many years. No school honestly maintains that. Is there any true alternative to working side-by-side with someone who has written a thousand letters, or who has repaired countless aircraft engines? By virtue of its newness, the AGR program could not compare with the experience found in the Civilian Technician program.

How galling it is to hear the proponents of the AGR program laud the skills and achievments of AGR's. Meanwhile, technicians are either damned with faint praise or ignored. The truth of the matter is that the AGR program would be more of an empty shell than it is, if it were not for the availability of technicians. At this point, we ask you to think back to the original standards of the program. Of how it was going to provide skilled and experienced personnel with a wide variety of military capabilities. Does anyone doubt that technicians cringe when they hear statements of that sort?

Consider the viewpoint of technicians who hear that it is AGR's who will replace them; or when they hear that it is the AGR program which is needed to meet the challenges of the future; or when they hear of AGR skills, and AGR's would be a departure from the past. Instead, what they see and experience is a group of employees who are just a reflection of the Civilian Technician Program. Of personnel who turned to them and asked to be trained; of personnel, who have contributed nothing new or different; of large numbers of personnel who are not mobilization assets. Yet, they hear the AGR program heaped with praise and proclaimed a success. We assure the committee, that the use of "sham", "fraud", "deception"., and "waste: are accurate and justified, when describing the AGR program.

It is a matter of simple logic that two groups of workers, doing the same work, will achieve the same results. How much intrinsic value can the AGR program possibly have? There was never any real need to graft the program unto the Reserve Components. Anything that had to be done, could have been done by simply hiring more technicians.

We would now like to turn your attention to the other definition of value which applies to the AGR program. Namely, the very high cost and financial burden it places on all of us.

AGR's are paid according to their military rank and longevity. This, despite the fact that they are not truly members of the regular armed forces. They reside in a gray world, between that of members of the armed forces and civilian technicians. That is to say, that they receive the pay and benefits of the former, while doing the work of the latter. In addition, they are not subject to the Uniform Code of Military Justice that applies to members of the regular armed forces, nor can they be transferred outside the limits of their home state. In fact, they work under the same conditions as laid down for technicians, and work the same work schedule. Consequently, AGR's never endure the hardships one usually associates with the life of a soldier or airman. For example, there are no rotations of duty from post-to-post; nor overseas tours of duty; or irregular duty hours; or long separations from ones family; etc.

We emphasize these issues, because of two reasons. First of all, we have encountered a rising criticism from members of the regular armed forces about AGR's. They want to know why AGR's get the same compensations they get, and at the same time, live such a different life. We regard the criticism as well-founded. So, we ask the committee to keep all of this in mind, when it hears what pay and benefits are given to AGR's, and whether or not the government is getting a proper return. Congress recognized the problem early-on. During hearings in 1982, then Chairman of the

House Defense Appropriations Subcommittee, Rep. Joseph Addabbo stated: "The AGR program could affect Army morale since the benefit program is superior to the regular army. " In April of 1984 the following exchange took place between Rep. John P. Murtha and Lawrence J. Korb, Assistant Secretary of Defense:

Murtha: "We received information from the National Guard Bureau that shows that for functions involving AGRs and comparable General Schedule military technicians, the AGRs are always compensated more."
"Would you agree that AGR personnel who, generally, will live and work in their community or state for their whole career, are not subject to the hardships of personnel serving in the active forces?"

Korb: "Normally that is the case, yes."

Murtha: "Now, why should we pay these personnel at the same level of compensation as the active forces counterparts when they are not expected to undergo the same hardships?"

Korb: "Well, a couple of things. First of all, we do have a total force and I think if you had a separate compensation system for military people in the guard and reserve that would be inconsistent with total force policy as well as existing law, which prohibits discrimination."

Murtha: "But don't you do this with civilian Technicians?"

Under the previous income tax law, AGR's received tax free payments amounting to 20% to 40% of their pay. This was due to the BAQ, BAS and VHA they receive. The difference in percentage depends on the rank and longevity. However, civilian technicians get no tax free payments. This, despite the fact that they all do the same work. Why are AGR's worth this very handsome tax break? It is tantamount to a gift. Once again, consider a technician's viewpoint under this circumstance. Also, consider for example, AGR's get free medical care and unlimited sick leave. It is the government which pays and provides. We need not tell the committee of the current high cost of medical care and how many people would like to have free medical insurance, along with all the time necessary to recover from an illness, and at the same time, not be charged for it. The cost of the medical insurance can be estimated very closely. It reaches into the millions. But, the man-hours lost between one group who has unlimited sick leave privileges and another, who must accrue sick leave, is more subtle. However, it is apparent to anyone who knows anything about the cost factors of employes, that an unlimited sick leave policy is far more costly. Again, the AGR's prove to be the more costly group. Now add to this a generous annual leave policy, granted to them each and every year. It takes many years for a technician to reach the maximum level of 26 days annual leave a year. AGR personnel receive 30 days from the very start. This type of unearned leave policy is very expensive, when put side-by-side with the one that applies to technicians. In testimony presented in 1984 before the House Defense Appropriations Subcommittee the then Director of the Army

Guard, Major General Herbert Temple discussed medical costs as follows:

> "In the fiscal year 1985 budget there is an increase of $1,939,000 in medical care costs to support the increase in full-time military members. This support provides for medical care in non-federal facilities. The ARNG trys to have AGR personnel go to federal medical facilities, however, in some remote locations there are none. The medical care includes physical examinations."

On top of all of this, there are a whole array of compensations given to AGR's which are denied to the technicians. The following are just a sample. Bonus payments, Survivor Benefit Plan, free legal counseling, state and local tax advantages. It goes on in a monotonous vein. We will not go any further with this topic, enough is enough. It should be abundantly clear that AGR's are very costly government employees.

Let us take a step backward and take a dispassionate view of the AGR program. What do we see? We see a government program that has not and cannot live up to its promise. We see a program that has been poorly managed. We see a program perform duties that are just an imitation of duties that are being performed by others. We see a program that treats its members as if they were members of the armed forces, when they are not. We see a program that had to draw sustenance in matters of skill and knowledge from the Civilian Technician program, and then claim them as their own. We see a program that has brought nothing new or different to the

Reserve Components. We see a program whose limitations in the maintenance area make it less valuable than the Civilian Technician program. We see a program whose level of skill will take many years to match the level currently enjoyed by the Civilian Technician program. We see a program whose true contribution to improving the Reserve Commponents was the addition of personnel and nothing else.

All-in-all, it is an unsatisfying and disturbing display. Most shocking of all, is the realization that in a time of economic strife, we see a government continue to support a failed program. One that is extremely expensive and gives very little in return for all the money it costs.

In 1985 the General Accounting Office said an all civilian technician force would be less costly than all AGR force in its June 1985 study titled "Problems in Implementing the Army's Reserve Components Full-Time Manning Program". In November of the same year the Congressional Budget Office, in a report titled "Improving the Army Reserves", said the annual costs for AGRs would rise by over $1.5 billion between 1986 and 1990. It said the average pay rate for AGR personnel was estimated to be $42,000. Yet, the program continues to grow.

Senator John Glenn, during debate on Defense Authorization for FY-88 & 89 said: "I am concerned about the larger issue of the very sizeable number of personnel we have in our Reserve forces full-time manning program, and the extraordinary growth of this program in the short 7 years of its existence, To my way of thinking this full-time manning program has never been adequately justified, expecially not as the huge program it has become." Yet, the AGR program continues to grow.

In 1988 the GAO still found management and morale problems due to two full-time support programs - civilian technician and AGR - performing similar duties with different personnel procedures and different pay and benefits. This was reported in a Novemeber 1988 report titled "Opportunities to Improve National Guard and Reserve Policies and Programs." Yet, the AGR program continues to grow.

Years after its origin the AGR program is still plagued with mismanagement. Many individuals are using it for personal gain - unqualified AGRs are being assigned - technician positions are still being converted through the transfer process. Yet, the AGR program continues to grow.

It is our estimate that if an equal number of technicians had been hired to take the place of AGR's, the government would now be saving about $600,000,000 a year. In no way would this substitution endanger or degrade the effectiveness of the Reserve Components. Civilian Technicians, who taught AGR's what to do, would and could do everything currently being done by AGR's. Furthermore, they would do each and every task to the highest possible standard, which is something they have always done. Many years ago in 1967, General Winston P. Wilson, then Chief of the National Guard Bureau, told the Senate Armed Services Committee: "I hardly need to tell this committee that the splendid showing of National Guard in its mobilization for service in Korea and Berlin was due in large measure to the competence of its full-time technicians."

No additional AGR's should be authorized, nor should there be any additional funding for the AGR program. It is the Civilian Technician program which should be encouraged and permitted to grow.

RECOMMENDATIONS

1. No additional funds should be provided for AGR growth.
2. Phase out the AGR program through attrition. All full-time support positions should become technician positions controlled by OPM Job Grading Standards. Allow AGR's the option of applying for deployable technician positions. (By law, all technicians must work, train and deploy with their units).
3. Conduct extensive hearings on the full-time support program in the National Guard and Reserves. Investigative teams should be dispatched into the various units.
4. Incorporate the following language into the Defense Appropriations Bill:

" None of the funds appropriated by this act shall be available to convert a position in support of the Army Reserve, Air Force Reserve, Army National Guard and Air National Guard occupied by, or programmed to be occupied by, a civilian technician to a position to be held by a person in an Active Guard or Reserve status if that conversion would reduce the total number of positions occupied by, or programmed to be occupied by, civilian technicians of the troop program unit or squadron unit concerned, below the number of positions occupied by civilian technicians in those units as of the end of FY-88."

Mr. Chairman, as President of the Association of Civilian Technicians, it has been brought to may attention that many problems exist since the implementation of the Army National Guard Military Education Program (MEP), and the Professional Development Program (PDP) as it applies to Civilian Technicians.

*The National Guard Bureau instituted a Military Education Program (MEP) that applied only to civilian technicians employed by the National Guard. That discriminatory program required technicians to attend active component military schools to qualify for military promotions in the National Guard. The requirement was not placed upon other Guardsmen who continued to be qualified for promotion by attending state schools.

*The General Accounting Office investigated "MEP" and found it to be more expensive than state schools, that the training could be accomplished just as well at state schools, and that there was a financial burden on technicians.

*Congress recognized the "MEP" problem and ordered a one-year phase-out of the program in the FY-90 Defense Authorization Bill.

*NGB then issued a new policy titled Professional Development (PDP). It is a form of the old "MEP" and is still discriminatory as it only applies to National Guard civilain technicians.

*"PDP" does provide for training at state schools. But, if the required training is not available the technician can elect to take a skill qualification test (SQT) and if scoring 60 or better be considered qualified for promotion - except that he/she

must attend battle skills training at Camp Robinson in Little Rock, Ark.

*Battle skills is a requirement regardless of military occupational specialty (MOS) - is already covered in a soldier's common training task - and is not needed by combat veteran technicians.

*Phase II training and SQT testing material is not available in many states. This forces technicians to attend active component schools to qualify for promotion.

*Technicians are denied promotion - and many have been demoted militarily - due to the discriminatory MEP/PDP requirement. Only technicians - 10% of the Guard strength - are subjected to MEP/PDP. The other Guardsmen (90%) are not.

*Technicians are required by law to hold compatible positions in the National Guard and to maintain qualification and promotion criteria to retain their technician positions. The more impossible NGB makes it for technicians to compete militarily with "M-Day" Guardsmen, the more difficult it becomes for them to continue federal employment.

*The Military Education Program (MEP) has not been phased out as Congress instructed. It has been altered and renamed Professional Development Program (PDP).

I respectfully request that the DOD/NGB be instructed by this Committee that no allocated training funds are to be utilized to support the MEP/PDP requirement.

This concludes my statement, I will be happy to answer any questions at this time.

[CLERK'S NOTE.—Subsequent to the hearing, the following material was submitted for the record by the Association of Civilian Technicians.]

DEPARTMENTS OF THE ARMY AND THE AIR FORCE
NATIONAL GUARD BUREAU
WASHINGTON, D.C. 20310-2500

NGB-ARM-R 01 MAR 1989

SUBJECT: (All States Log Number P89-0037) Full-Time Unit Support (FTUS) at Company Level

TO: The Adjutants General of all States, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia

1. The present structure of FTUS at company level is often not providing adequate support to our soldiers in pay and personnel matters. The advent of Personnel Service Companies (PSC) and battalion Personnel Administration Centers (PAC) is elevating personnel records to central locations, but as these centers are activated, Unit Clerk positions are eliminated from companies. The daily point of contact at company level for the timely resolution of soldier's pay and personnel problems is often lacking. Additionally, the supervisory chain at the company level in the personnel and pay areas has been found to be inadequate.

2. In response to the above problems, the staffing guide for company size units has been revised to provide an Administrative NCO/Unit Clerk, regardless of the existence of a PSC or PAC, and a Unit Readiness NCO who, when senior FTUS individual in military grade, will supervise all FTUS functions including pay, personnel, training and logistics. The Training NCO requirement has been changed to E-6, and the Armorer requirement has been eliminated except in larger companies (Enclosure 1). Job Descriptions have been published for company level FTUS readiness, training and clerical requirements defining duties and responsibilities and establishing a supervisory chain (Enclosure 2). These changes must be implemented to the maximum extent possible.

3. Redocumentation of FTUS resources will allow commanders to provide personnel support where it is most needed. If we are to maintain a highly motivated force, we must look out for their welfare. Priority must be placed on prompt and effective response to pay and personnel matters.

4. This action will not affect the status or grade of any incumbent Military Technician. Those technicians who are currently the senior military individuals in units will continue their supervisory duties of the FTUS personnel until they vacate their positions. When the positions are vacated, states will review the classification of FTUS positions for technician fill, advertise, and fill at the appropriate grade.

NGB-ARM-R
SUBJECT: Full-Time Unit Support (FTUS) at Company Level

5. The Army Manpower Division will assist you in redocumenting FTUS resources to ensure that the critical needs of our soldiers are met.

6. The guidance contained in this letter will expire on 1 March 1990 unless superseded prior to that date.

FOR THE CHIEF, NATIONAL GUARD BUREAU:

Encl

DONALD BURDICK
Major General, General Staff
Director, Army National Guard

STAFFING GUIDE FOR COMPANY SIZE UNITS

GRADE	DESCRIPTION	MOS/SSI	REQUIRED
E7	Readiness NCO		1*
E6	Training NCO		1*
E6	Supply Sergeant	76Y30	1
E5	Admin NCO/Unit Clerk		1**

The Armorer E4 is added to HQ type units (HHC, HHB, HHT) with a required strength over 75 and separate companies with a required strength of over 125 and any unit with required strength of 175-249.

In addition, one requirement (E5 Training NCO) is added to the staffing guide for units with required strength over 250.

* MTOE position will be designated by the commander and reported thru channels to NGB-ARM-R for documentation.

** Unit Clerk will be the required position if authorized by the MTOE, and max grade will be determined by MTOE. When the Unit Clerk is not authorized, the commander will designate a MTOE position and report it thru channels to NGB-ARM-R for documentation.

NGB-ARM-R will provide standard job descriptions for FTUS requirements which are not MTOE supported.

Military Technicians in company FTUS may be assigned in lieu of Supply Sergeant, Administrative NCO and Armorer requirements at the appropriate technician grade. They will not be assigned in lieu of the Readiness NCO or Training NCO requirements.

Encl 1

JOB TITLE: READINESS NCO
(E-7)

I. INTRODUCTION:

This position is located in Company/Detachment size units of the Army National Guard. The purpose is to provide supervisory manpower to enhance the readiness status of units. Readiness encompasses training, mobilization planning, supply, maintenence, and pay and personnel functions relating to the welfare of the soldiers and mission capability. The Readiness NCO will be involved in the day-to-day conduct and supervision of these functions and act as the commander's representative and spokesman in the daily operation of the unit to ensure the highest readiness status of the unit.

II. DUTIES AND RESPONSIBILITIES:

Responsible for supervising the successful accomplishment of the commander's mobilization readiness objectives. Anticipates and recommends solutions for needs of the unit in all aspects of mobilization readiness. Duties include:

1. Advises the commander on training, logistics, personnel and unit mobilization readiness requirements and ensures that the unit develops, updates and maintains comprehensive mobilization plans including preparation of units COMPASS and AVEL reports, vehicle load plans, unit movement plans, convoy clearance requests, preparation of the Annual Post Mobilization Training Support Report, the unit Alert Roster, and the unit Home Station Activities list and ensuring that the unit is POM/POR qualified. Reviews and implements mobilization directives and regulations. Obtains all required data for the unit status report and assists the commander in preparing readiness reports as prescribed in AR 220-1. Monitors the Equipment on Hand (EOH) and the Equipment Readiness (ER) status of the unit and keeps the commander informed on these issues.

2. The Readiness NCO supervises the duties performed by the unit's full-time logistics personnel. These include the duties of the unit supply NCO in maintaining property accountability, ensuring all required equipment is on hand or on valid requisition, scheduling all required inventories, audits and reconciliations, and the maintenance of Combat Parts Loads (CPL) if retained at unit level. Coordinates maintenance support required from supporting OMS or other installation maintenance support activities, and the integration of maintenance training with the supporting OMS shop chief(s). He also recommends, to the commander, courses of action to correct deficiencies in achieving maintenance standards and ensures the accountability and adequacy of CPLs, if maintained at OMS level. Must be proficient in unit level logistics procedures and policies.

Encl 2

3. Supervises the drafting of training schedules for approval which comply with command guidance and directives and the publications of higher headquarters. Supervises the maintenance of the unit training library, unit training extension course (TEC) tapes, and TEC center, and related training equipment and aids. Establishes a direct line of communication with training and mobilization action personnel at higher headquarters.

4. Supervises the development and monitoring of a comprehensive MOS qualification training program. Advises and assists the unit NCOs in implementation and conduct of supervised on-the-job training (SOJT) programs. Advises officer personnel on military education requirements and prepares applications for Army service schools and extension centers for them. Supervises the maintenance of records for the above programs, monitors the progress of officer and enlisted personnel, and ensures that qualification information is provided to the personnel section for personnel records updating.

5. Attends all unit training assemblies, additional training assemblies, and annual training periods. Provides assistance and guidance in the preparation for and execution of unit training and other mobilization readiness related activities. Ensures that preparatory visits are conducted as necessary to training sites to ensure availability of such sites and to procure training areas, ranges, training equipment, and other facilities required by the unit.

6. Responsible for supervising the implementation and accomplishment of the Individual Training and Evaluation Program (to include SQT) as prescribed in AR 350-37, and of the Battalion Training Management System (BTMS) at company/detachment level. Responsible for supervising the control of materials, publications, and soldier's manuals. Furthermore, responsible for monitoring individual training records and keeping the commander informed on the individual training status of the unit personnel.

7. Supervises the overall operation of the full-time unit support staff. Responsible for ensuring that the commander's concept of operations for the full-time personnel is executed and for advising the commander and supervisory personnel on the status and efficiency of the full-time personnel.

8. The Readiness NCO should be integrated into the rating scheme of subordinate full-time personnel.

9. Works directly with the commander in monitoring the recruiting and retention activities of the unit. Is directly involved in the maintenance of strength and personnel readiness issues of the unit to include employer support and family programs.

10. Responsible for the overall supervision of all pay, personnel, and administrative activities of full-time personnel in

caring for the welfare of unit soldiers. Establishes procedures to be followed in the resolution of all personnel related matters and supervises those procedures until eventual solution. Establishes a direct line of communication with pay, administrative, and supply action personnel in higher headquarters. Establishes and maintains personal proficiency in all supply, financial and personnel procedures.

11. Performs other duties as assigned.

III. SUPERVISORY CONTROLS:

Works under the general supervision of the unit commander. Receives technical guidance from supervisory personnel at higher headquarters. Accomplishes daily requirements independently in accordance with established policies and procedures. Performance is evaluated on accomplishment of established objectives.

IV. QUALIFICATIONS:

A. Must be qualified for initial entry into or continued service in the AGR program IAW NGB 600-5.

B. Required to be or to become fully qualified in an MOS in the predominant career management field authorized in the MTOE of the unit, excluding MOS 94B (cook).

C. Must have or be able to obtain the level of security clearance required by applicable regulations and directives but not lower than SECRET.

D. Must possess state drivers license and be qualified to operate military vehicles which are organic to the unit.

E. To the maximum extent possible, will possess a secondary MOS in supply and/or personnel career management fields.

V. MILITARY ASSIGNMENT AND MAXIMUM GRADE:

Readiness NCOs must occupy a position in the predominant career management field of the unit. They will not be assigned to an MTOE position related to food service operations. To the maximum extent possible, they shall be senior to all other full-time personnel in the unit. Military grade shall not exceed SSG, E-6, in in-state detachments of split units and SFC, E-7, in company/battery/troop size units and out-of-state detachments of split units. SFCs are authorized in separate units and detachments with a UIC ending in "AA," providing an appropriate MTOE position exists.

JOB TITLE: TRAINING NCO (E-6)

I. INTRODUCTION:

This position is located in Company/Detachment size units of the Army National Guard. The purpose is to provide a full-time support individual to develop and administer a unit training program to enhance training and improve the mobilization readiness status of the unit. The Training NCO will perform daily training and mobilization functions and provide day-to-day supervision of the unit training program.

II. DUTIES AND RESPONSIBILITIES:

a. Responsible for accomplishing the commander's plans and programs to attain the unit's training and mobilization readiness objectives.

b. Drafts training schedules for approval which comply with command guidance and directives and publications of higher headquarters. Maintains the training library, unit TEC center and related training equipment and aids. Maintains training aids account and prepares requisitions for training aids, films and all appropriate training support materials.

c. Prepares materials for advising the unit commander on unit mobilization posture and requirements. Maintains the unit mobilization plan and provides the information required for the unit status report.

d. Maintains the unit MOS qualification training program. Advises and assists the first-line supervisors in implementation and conduct of the supervised on-the-job training (SOJT) programs. Advises enlisted personnel on military education requirements and prepares applications for Army Service schools and extension courses. Maintains records for the above programs, monitors the progress of enlisted personnel and provides qualification information to the personnel section for personnel records updating.

e. Attends all unit training assemblies, additional training assemblies and annual training periods providing assistance and guidance in the preparation for and execution of unit training. Conducts preparatory visits as required to training sites to ensure availability of and to procure required training areas, ranges, and training equipment.

f. Prepares reports, briefing materials and correspondence related to training as required by the Readiness NCO, the commander and higher headquarters.

g. Prepares and maintains the unit mobilization loading plans.

h. Attends schools and conferences as required by the commander and subsequently trains unit personnel using the information and skills acquired.

i. Reviews and critiques trainer preparation and rehearses training presentations as directed. Provides instruction to the unit in his area of expertise.

j. Assists in the unit recruiting and retention activities.

k. Conducts public relations activities as directed to promote a positive image for the unit in the community.

l. Performs other duties as assigned.

III. SUPERVISORY CONTROLS:

Works under the direct supervision of the Readiness NCO or the senior full-time support soldier. Receives technical guidance from supervisory personnel at higher headquarters. Accomplishes daily requirements independently in accordance with established policies. Performance is evaluated based on accomplishment of established objectives.

IV. QUALIFICATIONS:

a. Must be qualified for initial entry into or continued service in the AGR program IAW NGR 600-5.

b. Required to be or to become fully qualified in an MOS within the predominant career management field authorized in the MTOE of the unit, excluding MOS 94B-Cook.

c. Must have or be able to obtain the level of security clearance required by applicable regulations and directives but not lower than SECRET.

d. Must possess state drivers license and be qualified to operate military vehicles which are organic to the unit.

V. MILITARY ASSIGNMENT AND MAXIMUM GRADE:

The Training NCO must occupy an MTOE position in the predominant career management field of the unit. The Training NCO will not be assigned to an MTOE position related to food service operations (94B). Military grade shall not exceed E-6.

JOB TITLE: ADMINISTRATIVE NCO

I. INTRODUCTION:

This position is located in company/battery/troop size units. The purpose is to provide administrative support to the commander, personnel and administrative support for the members of the unit, and manpower to enhance the training and mobilization readiness of the unit.

II. DUTIES AND RESPONSIBILITIES:

a. Assists the commander and unit personnel in personnel and administrative matters by acting as the point of contact in issues relating to the welfare of the soldiers.

b. Responsible to the commander for all financial (pay and benefits) actions to include IDT, AT, ADT, ADSW, incapacitation pay, enlisted bonuses, student loans, and educational assistance for all unit personnel. Is the single point of contact to ensure the prevention of pay related problems and provides input to SIDPERS-ARNG and the automated pay system. Is the unit's point of contact to SIDPERS-ARNG Interface Branch, Military Personnel Management Office (MILPO) at state headquarters and to the Military Pay Clerks in USP&FO.

c. Assists in the planning, updating and execution of unit mobilization plans and loading plans, and unit supply planning.

d. Attends all unit training assemblies, additional training assemblies, and annual training periods providing assistance and guidance in personnel and administrative matters and functions.

e. Attends schools and conferences as required by training and equipment developments and military education requirements.

f. Assists in the unit recruiting and retention activities.

g. Conducts public relations activities as directed to promote a positive image for the unit in the community.

h. Performs other duties as assigned.

III. SUPERVISORY CONTROLS:

Works under the direct supervision of the Readiness NCO or the senior full-time unit support individual.

IV. QUALIFICATIONS:

a. Must be qualified for initial entry into or continued service in the AGR program in accordance with NGR 600-5.

b. Must possess an MOS authorized in the MTOE of the unit. To the maximum extent possible, the Administrative NCO/Unit Clerk should possess an MOS in CMF 71.

V. MILITARY ASSIGNMENT AND MAXIMUM GRADE:

The Administrative NCO/Unit Clerk must occupy a position required by the MTOE (excluding MOS 94B). If the Unit Clerk is authorized by MTOE, then the Unit Clerk, MOS 75B, is the requirement. Military grade will not exceed E-5.

JOB TITLE: TRAINING NCO (E-5)

I. INTRODUCTION:

This position is located in company/battery/troop size units to include separate numbered companies and detachments with a UIC ending in "AA." The purpose of this position is to provide training administration support to the commander and manpower to enhance the training and mobilization readiness of the unit.

II. DUTIES AND RESPONSIBILITIES:

a. Assists the Training NCO in the development, execution, and documentation of the unit training programs.

b. Assists in the planning, updating and execution of unit mobilization plans and loading plans.

c. Attends all unit training assemblies, additional training assemblies, and annual training periods providing assistance and guidance in the planning and conduct of training.

d. Assists in the maintenance of training libraries, learning centers, and unit and individual training records and materials.

f. Attends schools and conferences as required by training and equipment developments and military education requirements.

g. Assists in trainer preparation and rehearses training presentations as directed. Provides instruction in battlefield survival skills and in other areas in which he possesses expertise.

h. Assists in the unit recruiting and retention activities.

j. Conducts public relations activities as directed to promote a positive image for the unit in the community.

k. Performs other duties as assigned.

III. SUPERVISORY CONTROLS:

Works under the direct supervision of the Training NCO or the senior full-time unit support individual in the unit.

IV. QUALIFICATIONS:

a. Must be qualified for initial entry into or continued service in the AGR program IAW NGR 600-5.

b. Must possess an MOS authorized in the MTOE of the unit but not in CMF 94, Food Service.

c. Must hold or be able to obtain the level of security clearance required by applicable regulations and directives but not lower than SECRET.

d. Must possess a state drivers's license and be qualified to operate military vehicles which are organic to the unit.

V. MILITARY ASSIGNMENT AND MAXIMUM GRADE:

The Training NCO shall occupy an MOS required by the MTOE (excluding MOS 94B). Military grade shall not exceed E5.

TUESDAY, APRIL 25, 1989.

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

WITNESS

JOHN N. STURDIVANT, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

INTRODUCTION

Mr. MURTHA. The next witness is Mr. John Sturdivant with the American Federation of Government Employees.

Mr. Sturdivant.

STATEMENT OF MR. STURDIVANT

Mr. STURDIVANT. Thank you, Mr. Chairman.

I am John Sturdivant, national president of the American Federation of Government Employees, AFL-CIO. My union represents over 700,000 government workers nationwide, of which 300,000 work for the Department of Defense. I thank you for the opportunity to testify on the fiscal year 1990 Appropriations bill for the Defense Department.

There are several issues affecting our DOD employees which the Appropriations committee will consider. Among these are contracting out, pay and base closures.

CONTRACTING OUT

I would like to note that AFGE has previously testified that it believes the time has come for comprehensive legislation governing this government's contracting out for Federal sector services. The OMB continues to utilize the existing legislative void to administer contracting out policies, to the detriment of the nation's taxpayers, good government and Federal employees.

Recently, OMB actions to expand this program and to modify the rules governing contracting out clearly demonstrate that the administration intends to worsen contracting out abuses. It is an absolute scandal that there are no effective budgetary controls on the size and cost of the contracted out work force.

We strongly urge that the committee require DOD to place service contracting out on a line-item basis with civilian payroll costs. After all, the costs of contracting out is just an alternative cost for human resources doing government work.

My statement for the record includes some of these instances, Mr. Chairman, but I would just point your attention to the cost information on attachment 1 of my statement, which shows the estimated costs and actual payments for ten service contracts in the DOD. This data is documented by GAO report NSAID 85-49, earlier GAO reports and military service correspondence.

The contractor bids for this work total just over $44 million, but the actual payments were $70 million, a 59 percent increase in actual costs. This type of data indicates that, as with hardware procurement, cost controls are not present in the A-76 process, and therefore estimated savings are not forthcoming.

The basic point that I would like to make is that more and more data is surfacing that indicates that contracting out does not save money when faced with actual cost numbers as opposed to the usual estimate to estimate savings rhetoric.

Given these facts, we urge the committee to restrict all A-76 studies until comprehensive legislation can be established to regulate contracting out.

BASE CLOSURES

In the area of base closures, Congress is about to pass legislation which will affect the closing of 91 military bases, eliminating 8,000 civilian positions. As the base closure plan unfolds, it is imperative that this committee be sensitive to the impact this will have on the careers and financial condition of individual employees. We need to remain aware of the need for funding of such cost items as severance pay, relocation assistance, retraining and real estate economic adjustment.

PAY RAISE

In the area of pay and compensation, to propose, as the Bush administration has, to pay uniform military personnel a 3.6 percent raise and allow whatever percent pay raise the market will bear for private contract workers at the same time as civilian Federal employees are offered only a two percent pay raise is unfair.

In many installations, our people keep the planes flying, they keep the tanks operating, they work side by side with their military counterparts, and are just as important to the defense of this country as the uniformed military. It runs counter to the goal of producing a motivated civilian defense work force.

How can full employment and larger pay increases be offered to two groups while furloughs, lay-offs and reductions in force are offered to Federal employees? Again, not only is it unfair, it is counterproductive.

It only makes sense that if the government is going to try to do more with less—and we can understand that—the personnel who are charged with this task should be of the highest quality, have the highest morale and the highest motivation to achieve this goal.

To this end, AFGE urges the committee to provide sufficient funding of the O&M accounts so that civilian and military pay are matched and all furloughs and RIFs for DOD employees are avoided.

CIVILIAN TECHNICIANS

I would like to speak for a moment about the problems faced by civilian technicians, and I am sure you will hear more of that, but despite the years of increased budget restraint, military managers continue to increase appropriations for the more costly, less efficient active duty Guard and Reserve soldiers. We urge this committee to decrease funding for the AGR program and to increase funding for the more economically efficient civilian technicians.

To summarize our request in that area, we would recommend that the committee reduce the number of AGR positions, eliminate the uniformed requirement for civilian technicians, grant appeal rights to the employees that face adverse actions and oppose the setting up of experimental test centers in the Reserves.

It has been a pleasure to appear before your committee, Mr. Chairman. I would be happy to try to answer any questions that you might have. My prepared statement has more specifics, and our staff would be happy to work with you.

Mr. **Murtha**. Mr. McDade.

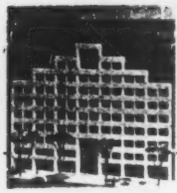
Mr. **McDade**. Thank you very much for your statement.

Mr. **Murtha**. Mr. Miller.

Mr. **Miller**. No questions.

Mr. **Murtha**. Thank you.

[The statement of Mr. Sturdivant follows:]



AMERICAN FEDERATION OF
GOVERNMENT EMPLOYEES
AFFILIATED WITH THE AFL-CIO

JOHN N STURDIVANT
NATIONAL PRESIDENT

ALLEN H KAPLAN
NATIONAL SEC TREAS

JOAN C WELSH
DIRECTOR WOMEN'S DEPARTMENT

80 F STREET, N.W., WASHINGTON, D.C. 20001
Telephone: (202) 737-8700

IN REPLY PLEASE REFER TO

STATEMENT BY

JOHN N. STURDIVANT
NATIONAL PRESIDENT
AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES
(AFL-CIO)

BEFORE THE

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS

U. S. HOUSE OF REPRESENTATIVES

ON

THE FY 1990 DEFENSE APPROPRIATIONS

ON

APRIL 25, 1989

TO DO FOR ALL THAT WHICH NONE CAN DO FOR ONESELF

My name is John Sturdivant. I am the National President of the American Federation of Government Employees (AFGE), AFL-CIO. My union represents over 700,000 government workers nationwide, of which 300,000 work in the Department of Defense.

I thank you for the opportunity to testify on the FY 1990 Appropriations Bill for the Defense Department (DOD).

There are several important issues affecting our DOD employees which the Appropriations Committee will consider. I shall limit my statement to the following issues which we deem to be of greatest importance: contracting out, personnel levels and staffing cuts, the "Monroney Amendment," pay, and issues relating to civilian technicians.

Contracting Out

Before commenting on current issues related to contracting out in DoD, I would like to note that AFGE has previously testified that it believes the time has come for comprehensive legislation governing this government's contracting out for federal sector services. The Office of Management and Budget continues to utilize the existing legislative void to administer contracting out policies to the detriment of the nation's taxpayers, good government, and federal employees. Recent OMB actions to expand this program and to modify the rules governing contracting out clearly demonstrate that the Administration intends to worsen contracting out abuses.

While Congress and this Committee have in the past legislated restrictions on contracting out, these actions have not addressed the root of the problem, nor provided a cure. At the same time, they have provided important steps in recognizing the problem and temporarily ameliorating some of its adverse effects.

It is an absolute scandal that there are no effective budgetary controls on the size and cost of the contracted out workforce. We strongly urge that the Committee require DoD to place service contracting out on a line item basis with civilian payroll cost. After all, the cost of contracting out is just an alternative cost for human resources doing government work.

In reference to rapidly escalating contracting out costs, there are a number of sources to document these increases even though DoD and other agencies do not make an annual report to the Congress. (AFGE conservatively estimates that contracting out costs will be 45-50 billion dollars in FY '90, roughly comparable to the entire civilian payroll. Most of these costs are concentrated in DoD). Let me review a few of these cost increase cases that are available to the public, mostly from GAO reports.

In the first case, GAO audited a service contract at Fort Eustis, Virginia. The dollar facts are that the original contract was let in 1983, for a four-year period at $28.0 million. Four years later, these contract costs had increased to $47 million -- a 70 percent increase over four years. At Kelly Air Force Base in Texas, GAO reported that costs for an equipment measurement laboratory contract jumped from $2 million to $4 million in two years. In the Army Southeast Region, a telephone service contract with RCA escalated 15 percent in the first year and negated the estimated savings for the entire five year period of the contract. Time after time, official reports document that contracting out costs are escalating at a rate of over 20 percent per year and that the purported savings -- based on "estimate to estimate" economics -- are not being realized when audited on an estimated cost to actual payment basis.

The cost information on Attachment 1 shows the estimated cost and actual payments for ten service contracts in the Department of Defense. This data is documented by GAO Report NSIAD-85-49, earlier GAO reports, and military service correspondence. As can be seen, the contractor bids for this work totaled just over $44 million, but the actual payments were $70 million: a 59 percent increase in actual cost. This type of data indicates that, as with hardware procurement, cost controls are not present in the A-76 process and, therefore, estimated savings are not forthcoming.

Adding to this information is an Army evaluation of their contracting out program. This report cites a number of deficiencies in the contracting out program, including findings that costs associated with contracting out are escalating rapidly and that savings reported for the A-76 program are highly suspect. Further, the report concludes that the Army contracting out program is inconsistent, inefficient, and floundering.

The basic point made here is that more and more data is surfacing that indicates that contracting out does not save money when faced with actual cost numbers as opposed to the usual "estimate to estimate" savings rhetoric.

Given these facts, we urge the Committee to restrict all A-76 studies until comprehensive legislation can be established to regulate contracting out.

Personnel Levels and Staffing Cuts

Defense experts have stressed the adverse effects of wide fluctuations in defense budgets. The "feast or famine" shifts do great harm to defense personnel as well. In 1980, Civilian Defense Personnel numbered 960,000. The level climbed by 125,000 during the next five years (to a total of 1,085,000 in 1985). The estimate for fiscal year 1990 is 1,017,312. This constitutes a reduction in personnel of 67,688 and further reductions are estimated for future years.

Congress is about to pass legislation which will effect the closing of 91 military bases, eliminating 8,000 civilian positions. As the base closure plan unfolds, it is imperative that this Committee be sensitive to the impact this will have on the careers and financial condition of individual employees. We need to remain aware of the need for funding of such cost items as severance pay, relocation assistance, retraining, and real estate economic adjustment.

I do not submit this testimony as an expert on weapons systems. I make no recommendations on which items of military hardware are necessary for our defense, and which are not. But I can speak with some authority on what makes sense in a personnel system, and the "boom and bust" funding for defense personnel does not serve anyone well.

In order to be successful, our national security system must be able to attract and retain the highest quality personnel. Currently, national security personnel requirements are met by a combination of uniformed military, civilian federal employees, and private contract employees. Each group makes a crucial contribution; no one group is any more important than any other.

Indeed, the three groups often work closely together, so that the "chain" protecting us can be said to be no stronger than its weakest link. The American people do not want a weak link: they have demonstrated repeatedly that they are willing to pay for the best in national security, and they deserve the best in national security. Yet the personnel policies which produce lower pay, reductions-in-force, and layoffs for civilian federal employees weaken their role unnecessarily.

To run a successful personnel system, attention must be paid to the financial reality employees face, as well as the overall sense that the system is fair. Neither of these issues has been dealt with in a satisfactory way as far as civilian federal employees are concerned. The result has been an exodus of many of the most highly skilled, and once-dedicated workers. At the same time, it has become increasingly difficult to recruit the employees the agency needs, and keep morale high for those who stay.

To propose, as the Bush administration has, to pay uniform military personnel a 3.6 percent raise, and allow whatever percent pay raise the market will bear for private contract workers, at the same time as civilian federal employees are offered only a 2 percent pay raise is unfair. It also runs counter to the goal of producing an effective and motivated civilian defense workforce. How can full-employment and larger pay increases be offered to two groups, while furloughs, layoffs, and reductions-in-force are offered to federal employees? Again, it is not only unfair, it is counterproductive.

It only makes sense that if the government is going to try to do more with less, the personnel who are charged with this task should be of the highest quality, have the highest morale, and the highest motivation to achieve this goal. To this end, AFGE urges the Committee to provide sufficient funding of the O & M accounts so that civilian and military pay are matched, and all furloughs and RIF's for DOD employees are avoided.

Monroney Amendment

Although this issue is not adequately addressed in the DOD Appropriations Bill, AFGE hopes that the members of this Committee will support the restoration of the Monroney Amendment.

The Monroney Amendment is a provision contained in Public Law 90-560, which was approved by Congress in 1968. It is named after its sponsor, Senator A.S. Mike Monroney of Oklahoma. The purpose of the Act was that special consideration was to be given to local areas with concentrations of federal blue collar employees in specialized industries.

It required federal agencies conducting wage surveys to "determine whether there exists in the local wage area a number of comparable positions in private industry sufficient to establish wage schedules and rates for principal types of positions for which the survey is made..." If federal agencies find that the number of comparable positions is insufficient, they must set wages on the basis of both local private sector rates and rates paid for comparable positions in the nearest wage area with similar employment and industrial characteristics.

Monroney Amendment prevailing wage determinations applied to all federal civilian employees through 1985. However, when Congress adopted the Department of Defense Authorization Bill for fiscal year 1986, a provision in that bill exempted DoD civilian employees from wage determination coverage. The DoD Authorization Bill permitted the Defense Department to establish wage schedules for its civilian personnel. As a consequence, DoD civilian employees' wages have been depressed below those of their civilian agency and private sector counterparts. H.R. 4145, introduced by Albert G. Bustamante (D-Tex), would restore wage determinations for DoD civilian employees so they will not be a class apart from employees working for other federal agencies and we urge your support for this legislation.

Alternative Personnel System

We would like to take this opportunity to register our opposition to the type of alternative personnel systems which have been proposed in earlier years in bills by Senator Jeff Bingamam (D-NM). We include this issue because we understand that Senator Bingamam plans to introduce similar legislation this year. If it retains the essence of earlier proposals, the plan entails carving out some 300,000 employees in DoD acquisition and logistics for a new pay and personnel system which would allow for higher pay and establish a "pay for performance" pay system.

We recognize the compensation problems faced by the employees addressed in these bills and we appreciate the motives of Senator Bingaman and any cosponsors of this legislation in addressing these problems. However, we have two basic and fundamental disagreements with these types of personnel systems which lead us to oppose this legislation.

The whole federal compensation is badly out of balance because of the artificial caps and manipulations that have occurred over the last ten years. While this Committee must concern itself with defense appropriations, we want to point out that the entire federal pay system is in a terrible state of disarray. The Senate Governmental Affairs Committee and the House Post Office and Civil Service Committee are currently beginning review of the entire compensation system. We look forward to working with those Committees to rebuild a pay system that once again achieves comparability with the private sector and serves the need of all government agencies.

If the Congress follows the path of trying to patch up every area of compensation as each area reaches a crisis stage, we will end up with a hodge-podge of hundreds of separate pay and personnel systems with no overall coherence. Such a gerrymandered pay system would be a nightmare to administer. Mobility between federal agencies would be restricted. Popular agencies would end up with more generous pay systems than less popular agencies. The principle of equal pay for equal work would be undermined.

We also have grave reservations over the content of the alternative pay system based as it is on performance evaluations, pay-for-performance, bonuses, and performance awards.

Merit pay in the federal sector has not been a success. Surveys of federal executives and managers continually show wide dissatisfaction with the merit pay system. For example:

o A survey by the Federal Managers' Association last year showed 50% of the respondents said that they had seen evidence of forced distributions and 44% had seen ratings changed.

- An August 1987 GAO Report (GAO 1GGD-87-106FS) on Senior Executives who had left government service showed that 41% of them cited unfair distributions of bonuses as a great or very great reason for their leaving.

- The recent survey by the Federal Executive Institute found that 66% of the Institute's alumni believed that the merit pay system was not based on true merit and 68% said that it wasn't worth the time or energy involved.

- The December 1987 report by the Merit System Protection Board on its survey of managers showed that only 45.4% believed that better performance was likely to lead to more pay.

- The January 1987 report by the GAO on pay for performance for managers stated that 52% of the managers indicated that performance awards did not motivate them to perform better.

Our members continually heap abuse on the performance evaluation system complaining of irrelevant standards, forced distributions, and management bias.

This proposal is a recipe for disaster. Compensation decisions inevitably will be tainted with the perception, if not the reality, of bias, favoritism, discrimination, and cronyism.

We urge the Committee to oppose this proposal.

Civilian Technicians

I would like to speak for a moment about the problems faced by civilian technicians in the National Guard and the Army Reserve. Despite these years of increased budget restraint, military managers continue to increase appropriations for the more costly, less efficient active duty guard and reserve soldiers (AGR's). We urge this Committee to decrease funding for the AGR program and to increase funding for the more economically efficient civilian technician.

The latest proposal of the Reserves is a scaled down "test centers" concept. This would remove civilians from individual Reserve units and place them in omnibus Reserve components based upon the functions they perform. This is not the sort of experiment we would entrust to a management that has repeatedly failed to demonstrate their competence. In our previous testimony before this and other committees of the Congress, we have repeatedly pointed out surveys, audits, and investigations that demonstrate civilians as technicians most efficiently supply the full-time support for the Armed Services.

The Federal Labor Relations Authority has described the status of National Guard Technicians as employees who are employed in full-time civilian positions to administer and train the National Guards and to maintain and repair the supplies issued to the National Guard or the Armed Forces. But, as civilian employees, they enjoy none of the job protections of their civilian counterparts elsewhere. They must maintain dual status as civilians and as soldiers in their units. They must pass through a retention process on their part-time military side that is too often arbitrary in nature. They have no right to appeal this "military" decision regardless of how egregious this action is. Some of the civilians who have been actively seeking improved labor management relations through union activity have been rejected by the military as unfit Reservists. This leaves the impression, if not the reality, of anti-union animus. These continuing difficulties in managing civilian employees have resulted in a number of situations that are demoralizing and counterproductive.

The history of the citizen/soldier in this country is a long and honored one. Indeed, our military operates on the premise that it must be kept under, and be subordinate to, the civil authorities. Yet, in the case of the civilian technicians, the situation has, over the years, become one of creeping militarization of our civilian workforce. We believe there is an inherent danger in this subtle military encroachment. The situation involving the civilian technicians is one where the military is no longer existing for the purpose of protecting the rights of civilians; but, in fact, they are taking away the technicians' rights as civilians.

A prime example is the military forcing civilian technicians to wear their reservist uniforms during their civilian work hours; but, these civilians wearing a military uniform are not allowed any of the privileges of a soldier. They cannot use commissaries, PX's, or health facilities. They do not receive free dental coverage or subsidized housing. We urge the Committee to include language in this appropriation terminating the practice of requiring full-time civilian employees to wear their weekend uniforms while performing civilian duties.

One additional problem that needs the Committee's consideration is the need for appeal rights. Currently, the National Guard's civilian technicians can only appeal adverse actions to the Adjutant Generals (AG) -- a state-by-state political appointee. Employees in any workforce should be able to appeal adverse actions to an independent arbitrator without fear of political bias. That is why the Merit Systems Protection Board exists. Some say that the nature of the work would require "special understanding." We would not oppose the establishment of a separate board of appeals, similar in structure to that used by the State Department employees. At least the civilians would have some hope for a neutral and impartial judgement on the merits of their cases.

I will summarize our request to the Committee as follows:

1. Reduce the number of AGR positions;

2. Eliminate the uniform requirement for civilian technicians;

3. Grant appeal rights to the employees that face adverse actions; and

4. Oppose the setting up of experimental "test centers" in the Reserves.

Finally, Mr. Chairman, we would ask the Committee to encourage and support the growth of civilian technicians as they have proven to be the most efficient and economical component of our military readiness capability. Thank you very much for your time and consideration.

CONTRACTING OUT COST OVERRUNS

AGENCY	LOCATION	CONTRACTOR BID	ACTUAL PAYMENT	$ COST OVERRUN	% COST OVERRUN
Army	Warren, MI	$ 6.9M	$10.9M	$ 4.0M	57%
Army	Southeast Region (AL and GA)	$13.2M	$19.3M	$ 6.1M	46%
Army	Ft. Dix, NJ	$ 2.2M	$ 3.7M	$ 1.5M	68%
Army	St. Louis, MO	$ 6.7M	$ 8.7M	$ 2.0M	30%
Army	Sharpe Depot, CA	$ 4.2M	$ 7.0M	$ 2.8M	67%
Army	Tobyhanna Depot, PA	$ .8M	$ 1.2M	$ .4M	50%
Navy (Marines)	Beaufort, SC	$ .9M	$ 1.5M	$ .6M	67%
Air Force	Kelly AFB, TX	$ 2.1M	$ 4.1M	$ 2.0M	95%
Air Force	Warner-Robins, GA	$ 2.4M	$ 4.2M	$ 1.8M	75%
Air Force	Richards-Gebaur AFB, MO	$ 4.8M	$ 9.8M	$ 5.0M	104%
TOTALS		$44.2M	$70.4M	$26.2M	59%

Source - GAO Reports and Military Service Correspondence

ATTACHMENT 1

TUESDAY, APRIL 25, 1989.

COALITION OF NATIONAL GUARD AND RESERVE CIVILIAN TECHNICIANS

WITNESS

JOHN M. ESPOSITO, LOCAL 1900, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, NATIONAL CHAIRMAN, COALITION OF NATIONAL GUARD AND RESERVE CIVILIAN TECHNICIANS

INTRODUCTION

Mr. MURTHA. The next witness is Mr. John Esposito with the Coalition of National Guard and Reserve Civilian Technicians. Mr. Esposito.

STATEMENT OF MR. ESPOSITO

Mr. ESPOSITO. Good morning. Before I begin, I would first like to thank the committee for the opportunity to be heard again today on the subject of full-time support for the Reserve components.

Additionally, I would also like to thank this committee which directed that the Army neither test nor implement the Command Support Center concept or the 1985 White Paper. Had it again not been for your actions, civilian technicians' grades as well as position requirements would have been significantly reduced.

FULL-TIME SUPPORT

Today, I would like to discuss several issues, beginning with the AGR program. Since the early 1980s, surveys as well as testimonies presented have continuously addressed the fact that increases in growth of the AGR program would create additional permanent career blockages for drilling reservists and threaten the nation's overall readiness.

Major General Ward, during testimony before this committee on 6 April 1989, informed the Members that retention in the Reserves today is a significant problem. He stated this problem existed largely due to the lack of promotional opportunities for drilling reservists.

Yet, on this very same day, in spite of the permanent career blockages of drilling reservists created by AGRs and increased deficits, he once again requested increases in the AGR program.

I am, once again, requesting this committee mandate a gradual phase-out of all administrative and logistical AGR positions. As these positions are phased out, and only if a valid need exists, that these positions be converted to civilian technician positions. This action will provide the full-time support required at a significant savings in cost, and will also significantly reduce the current retention problem facing the Army Reserves.

There are currently thousands of AGR personnel assigned to non-deploying HQ and staff positions at ARPERSEN, FORSCOM, OCAR, et cetera, which neither impact on the readiness of troop program units nor the individual soldier's ability to be properly trained. These positions should be eliminated.

We ask this committee to mandate that all positions authorized in the AGR program be restricted to training the soldier.

TECHNICIAN POSITIONS

The next subject is the 8 December 1983 law. When this committee wrote into law that civilian technicians hired after 8 December 1983 must be members of the troop program unit they service or lose their job, I am quite sure they did so with good intentions. However, the Army, in implementing, has done so in such a manner as to destroy the technician program by making technician jobs unattractive.

First, unlike when AGRs come aboard and a specific drilling reserve position is set aside for them to fill, there is no drilling reserve position set aside for the technician to occupy. Instead, the commander is either unable to hire a civilian technician due to the lack of a military position, or he is faced with the decision as to which drilling reservist he must displace in order to hire the new technician, when no drilling vacancy exists.

This situation continues throughout the post-1983 technician career and worsens as he increases in rank militarily. Likewise, if a civilian technician is selected for a Reserve promotion, he cannot accept unless there is a slot in his unit to accommodate this promotion.

The Army is totally aware of this problem. They have identified it in their report entitled "USAR Technicians," dated August, 1985, to March, 1986. I quote: "Task force meetings surfaced the problem that current policy for the military assignment of technicians in troop program units lacks flexibility, restricts the upward mobility of both the technician force and the drilling reservists and often hinders recruiting efforts."

Has the Army fixed the problem? No. Instead, they will report they are experiencing major difficulties in filling positions. No action since March, 1986—more than three years.

Since the Army has continued to mismanage the technician program, we are asking you do one of the following: one, if you decide to keep the 8 December 1983 law, you mandate that the Army establish a separate military TDA for the civilian technician or mandate that the civilian technicians simply be carried against the total Army shortfalls; or, two, eliminate the 1983 law thereby changing the system back to how it was since September, 1970, and add that in the event of mobilization, civilian technicians will accompany the unit they service throughout the initial phases of mobilization.

While the Army informs the Congress that civilian technicians are critical upon mobilization and therefore must be dual status, they continue through implementation of their own regulations to eliminate civilian technicians from their military status who are fully qualified, thereby creating "status quo technicians." Although the Army has written provisions in regulations where technicians removed may request retention, we know of no instances where pre-1983 technicians have been granted approval.

It is imperative that the protective language contained in House Report 98-567, which accompanied the fiscal year 1983 Defense Appropriations bill, be made law. Every year, since written, the Army has attempted to violate the provisions written and every year it has been necessary for this committee to continually re-address this matter.

Mr. Chairman, this concludes my testimony, and I will be happy to respond to any questions you or other committee Members may have.

Mr. **Murtha**. We will take a look at these recommendations, Mr. Esposito, and we appreciate your coming before the committee. Thank you very much.

Mr. **McDade**. Thank you for your testimony.

Mr. **Murtha**. Mr. Miller?

Mr. **Miller**. No questions.

[The statement of Mr. Esposito follows:]

LOCAL 1900
Serving Civilian Technicians
And Recruiting Commands
in
MAINE
MASSACHUSETTS
NEW HAMPSHIRE
RHODE ISLAND
CONNECTICUT
VERMONT

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES
AFFILIATED WITH THE AFL-CIO

JOHN ESPOSITO
PRESIDENT

ROBERT M. PACHECO
EXECUTIVE VICE PRESIDENT

BARNES BUILDING – ROOM 215
495 SUMMER STREET, BOSTON, MA 02210
Telephone (617) 451-4872

JOHN M. ESPOSITO
National Chairman,
Coalition of National
Guard and Reserve
Civilian Technicians

STATEMENT

OF

JOHN M. ESPOSITO

NATIONAL CHAIRMAN,

COALITION OF NATIONAL GUARD AND RESERVE

CIVILIAN TECHNICIANS

BEFORE THE

SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPROPRIATIONS

ON

THE FULL-TIME SUPPORT PROGRAMS
(AGR AND CIVILIAN TECHNICIAN PROGRAM)

25 April 1989

TO DO FOR ALL THAT WHICH NONE CAN DO FOR ONESELF

MISTER CHAIRMAN, DISTINGUISHED MEMBERS OF THE COMMITTEE, THANK YOU FOR THIS OPPORTUNITY TO ONCE AGAIN BE HEARD ON THE SUBJECT OF FULL TIME SUPPORT FOR THE RESERVE COMPONENTS.

I WISH TO THANK THE COMMITTEE FOR THEIR ACTIONS, WHICH DIRECTED THAT THE ARMY NEITHER TEST NOR IMPLEMENT THE COMMAND CENTER SUPPORT CONCEPT OR THE 1985 WHITE PAPER. ADDITIONALLY, I WISH TO THANK YOU FOR ALLOWING YOUR SURVEY AND INVESTIGATIVE STAFF TO INVESTIGATE THESE AND OTHER ISSUES NEGATIVELY AFFECTING CIVILIAN TECHNICIANS. ONCE AGAIN, HAD IT NOT BEEN FOR YOUR ACTIONS, CIVILIAN TECHNICIAN GRADES AS WELL AS POSITION REQUIREMENTS WOULD OF BEEN SIGNIFICANTLY REDUCED.

I HAVE SEVERAL ISSUES I WOULD LIKE TO ADDRESS TODAY.

AGR PROGRAM

SINCE THE EARLY 1980'S, SURVEYS CONDUCTED BY YOUR SURVEY AND INVESTIGATIVE STAFF (S&I), AS WELL AS TESTIMONIES PRESENTED BY CONCERNED INDIVIDUALS, INCLUDING MYSELF,HAVE CONTINOUSLY ADDRESSED THE FACT THAT INCREASES IN GROWTH OF THE AGR PROGRAM WOULD CREATE ADDITIONAL PERMANENT CAREER BLOCKAGES FOR DRILLING RESERVISTS AND THREATEN OUR OVERALL READINESS POSTURE.

MAJOR GENERAL WARD, CHIEF OF THE ARMY RESERVES, DURING TESTIMONY BEFORE THIS COMMITTEE, ON 6 APRIL 1989, INFORMED THE MEMBERS THAT RETENTION IN THE RESERVES, IS TODAY, A SIGNIFICANT PROBLEM. HE STATED THAT THIS PROBLEM EXISTED LARGELY DUE TO THE LACK OF PROMOTIONAL OPPORTUNITIES FOR DRILLING RESERVISTS. YET, ON THIS VERY SAME DAY, INSPITE OF THE PERMANENT CAREER BLOCKAGES OF DRILLING RESERVISTS WHICH HINDER THEIR PROMOTIONAL OPPORTUNITIES CREATED BY AGR'S AND INSPITE OF THE INCREASED DEFICITS,HE ONCE AGAIN REQUESTED INCREASES IN THE AGR PROGRAM.

I AM, ONCE AGAIN, REQUESTING THAT THIS COMMITTEE MANDATE A GRADUAL PHASE OUT OF ALL ADMINISTRATIVE AND LOGISTICAL AGR POSITIONS AT THE COMPLETION OF THE INCUMBENTS CURRENT TOUR. ADDITIONALLY, AS THESE POSITIONS ARE PHASED OUT , AND ONLY IF A VALID NEED EXISTS, THAT THESE POSITIONS BE CONVERTED TO CIVILIAN TECHNICIAN POSITIONS. THIS ACTION WILL NOT ONLY PROVIDE THE FULL-TIME SUPPORT REQUIRED AT A SIGNIFICANT SAVING IN COST, BUT WILL ALSO SIGNIFICANTLY REDUCE THE CURRENT RETENTION PROBLEM FACING THE ARMY RESERVES. A 10 PERCENT PHASE OUT PER YEAR AND A ONE FOR ONE REPLACEMENT WITH COMPATIBLE CIVILIAN TECHNICIANS, WOULD RESULT IN AN APPROXIMATE SAVINGS OF OVER 50 MILLION DOLLARS PER YEAR. I HAVE ATTACHED, AS AN EXAMPLE, A PERSONAL STATEMENT OF MILITARY COMPENSATION, FURNISHED BY US ARMY FINANCE AND ACCOUNTING CENTER, INDIANAPOLIS IN, PERTAINING TO AN SSG-E6 AGR,WHICH WHEN COMPARED TO CIVILAN TECHNICIANS COSTS,CLEARLY INDICATES THE SIGNIFICANT DIFFERENCE IN THE OVERALL COSTS OF THE TWO PROGRAMS.

AS STATED IN PREVIOUS TESTIMONIES, THERE ARE CURRENTLY THOUSANDS OF AGR PERSONNEL ASSIGNED TO NON-DEPLOYING HQ AND STAFF POSITIONS AT ARPERSEN, FORSCOM, OCAR ETC.. WHICH HAVE NEITHER AN IMPACT ON THE READINESS OF TROOP PROGRAM UNITS NOR THE INDIVIDUAL SOLDIERS ABILITY TO BE PROPERLY TRAINED TO FIGHT IN TIME OF CONFLICT. THESE POSITIONS SHOULD BE ELIMINATED AND IF A VALID NEED EXISTS, REPLACED BY CIVILIAN POSITIONS, AN ACTION THAT WOULD SIGNIFICANTLY REDUCE THE OPERATIONAL COSTS. WE ASK THAT THIS COMMITTEE MANDATE THAT ALL POSITIONS AUTHORIZED IN THE AGR PROGRAM BE RESTICTED TO THE AREA THE ARMY HAS STATED IT WAS DESIGNED FOR, TRAINING THE SOLDIER. THE ARMY HAS CONTINOUSLY ALLEGED THAT THE AGR POSITIONS BEING FILLED WERE ENHANCING READINESS BY TRAINING THE SOLDIER AND NOT MERELY THE MILITARIZATION OF CIVILIAN POSITIONS.

THEREFORE, THEY SHOULD HAVE NO PROBLEM WITH THIS APPROACH. THEY SHOULD WELCOME THE OPPORTUNITY TO HAVE TRUE GROWTH IN BOTH PROGRAMS AT THE LEAST COST TO THE TAXPAYERS AND THE DEPARTMENT.

8 DECEMBER 1983 LAW

WHEN THIS COMMITTEE WROTE INTO LAW THAT, CIVILIAN TECHNICIANS HIRED AFTER 8 DECEMBER 1983 MUST BE MEMBERS OF THE TROOP PROGRAM UNIT THEY SERVICE OR LOSE THEIR JOB, I AM QUITE SURE THEY DID SO WITH GOOD INTENTIONS. HOWEVER, GENTLEMEN, THE ARMY IN IMPLEMENTING THIS LAW HAS DONE SO IN SUCH A MANNER AS TO DESTROY THE TECHNICIAN PROGRAM BY MAKING TECHNICIAN JOBS UNATTRACTIVE.

FIRST, THE PROBLEM EXISTS THAT, UNLIKE WHEN AGR'S COME ABOARD A SPECIFIC DRILLING RESERVE POSITION IS SET ASIDE FOR THEM TO FILL, THERE IS NO DRILLING RESERVE POSITION SET ASIDE FOR THE TECHNICIAN TO OCCUPY. INSTEAD, THE COMMANDER IS EITHER UNABLE TO HIRE A CIVILIAN TECHNICIAN DUE TO THE LACK OF A MILITARY POSITION, OR HE IS FACED WITH THE DECISION AS TO WHICH DRILLING RESERVIST HE MUST DISPLACE IN ORDER TO HIRE THE NEW TECHNICIAN,WHEN NO DRILLING VACANCY EXISTS. THIS SITUATION LEADS TO DISREGARD/ VIOLATIONS OF MERIT PRINCIPLES REQUIRED WHEN HIRING A CIVILIAN TECHNICIAN. WHEN HIRING FROM AMONG A GROUP OF APPLICANTS, THE SELECTION MOST OFTEN IS BASED ON, RATHER THAN MERIT PRINCIPLES, WHICH DRILLING RESERVIST THE COMMANDER FEELS HE CAN BEST DO WITHOUT.

THIS SITUATION CONTINUES THROUGHOUT THE POST-83 TECHNICIAN CAREER AND WORSENS AS HE INCREASES IN RANK MILITARILY. LIKEWISE, IF A CIVILIAN TECHNICIAN IS SELECTED FOR A RESERVE PROMOTION, HE CANNOT ACCEPT THE PROMOTION UNLESS THERE IS A SLOT IN HIS UNIT TO ACCOMMODATE THIS PROMOTION. OTHER EXAMPLES OF PROBLEMS EXISTING UNDER CURRENT LAW ARE:

A. GENDER SPECIFIC TROOP PROGRAM UNITS:

SOME MALE-ONLY UNITS HAVE HARD-TO-FILL DUAL STATUS POSITIONS WHERE QUALIFIED FEMALE CANDIDATES, WHO ARE MEMBERS OF THE SELECTED RESERVES ARE AVAILABLE, BUT ARE DENIED THE OPPORTUNITY TO APPLY. THIS IS NOT ONLY DISCRIMINATORY, BUT DIRECTLY CONTRADICTS THE PRACTICE OF HIRING THE BEST QUALIFIED APPLICANT.

B. RANK STRUCTURE OF SMALL TROOP PROGRAM UNITS:

SOME SMALL TPU'S MAY NOT HAVE THE CORRECT RANK STRUCTURE FOR APPLICANTS. TO EXCLUDE CIVILIAN TECHNICIAN CANDIDATES BECAUSE THE AUTHORIZED RESERVE RANK IS UNAVAILABLE PRECLUDES FILLING VACANCIES WITH QUALIFIED CANDIDATES.

THE ARMY IS TOTALLY AWARE OF THIS PROBLEM. THEY HAVE IDENTIFIED IT IN THEIR FINAL REPORT FROM THE MILITARY TECHNICIAN TASK FORCE, OFFICE, CHIEF OF ARMY RESEVES, ENTITLED"USAR TECHNICIANS" DATED AUG 85-MAR 86. I QUOTE, " TASK FORCE MEETINGS SURFACED THE PROBLEM THAT CURRENT POLICY FOR THE MILITARY ASSIGNMENT OF TECHNICIANS IN TROOP PROGRAM UNITS LACKS FLEXIBILITY, RESTRICTS THE UPWARD MOBILITY OF BOTH THE TECHNICIAN FORCE AND THE DRILLING RESERVISTS AND OFTEN HINDERS RECRUITING EFFORTS." HAVE THE ARMY FIXED THE PROBLEM ? NO!! HAVE THEY ATTEMPTED TO? NOT ACCORDING TO INFORMATION FURNISHED ME!! INSTEAD, THEY WILL REPORT TO YOU THEY ARE EXPERIENCING MAJOR DIFFICULTIES IN FILLING POSITIONS. NO ACTION SINCE MAR 86--- MORE THAN THREE YEARS. THIS IS JUST ANOTHER CLEAR EXAMPLE OF THEIR UNWILLINGNESS TO ACCEPT THE FACT THAT CIVILIAN TECHNICIANS ARE, AS THIS COMMITTEE HAS STATED MANY TIMES, "HERE TO STAY". WHENEVER THEY NEED SLOTS FOR AGR'S, THEY SIMPLY IDENTIFY THEM AND RECRUIT WHY HAVEN'T THEY DONE THE SAME FOR CIVILIAN TECHNICIANS??

SINCE THE ARMY HAS CONTINUED TO MISMANAGE THE TECHNICIAN PROGRAM, WE ARE ASKING THAT YOU DO ONE OF THE FOLLOWING:

A. IF YOU DECIDE TO KEEP THE 8 DECEMBER 1983 LAW MANDATING CIVILIAN TECHNICIANS BE MEMBERS OF THE UNIT THEY SERVICE OR LOSE THEIR JOB, THEN WE ASK THAT YOU MANDATE THAT THE ARMY ESTABLISH A SEPERATE MILITARY TDA FOR THE CIVILIAN TECHNICIAN OR MANDATE THAT THE CIVILIAN TECHNICIANS SIMPLY BE CARRIED AGAINST THE TOTAL ARMY SHORTFALLS OR,

B. ELIMINATE THE 83 LAW THEREBY CHANGING THE SYSTEM BACK TO HOW IT WAS SINCE SEPTEMBER 1970; MILITARY MEMBERSHIP IN THE SELECTED RESERVES AS A CONDITION OF EMPLOYMENT AND ADD THAT IN THE EVENT OF MOBILIZATION, CIVILIAN TECHNICIANS WILL ACCOMPANY THE UNIT THEY SERVICE THROUGHOUT THE INITIAL PHASES OF MOBILIZATION.

JOB DESCRIPTIONS

IN SPITE OF CONGRESSIONAL LANGUAGE TO THE CONTRARY, JOB DESCRIPTIONS ARE BEING CHANGED IN UNITS WHERE AGR'S ARE ASSIGNED. THESE CHANGES SIGNIFICANTLY AFFECT THE RELATIONSHIP BETWEEN THE COMMANDERS AND THE CIVILIAN TECHNICIANS IN THAT THEY PROVIDE FOR THE INTRODUCTION OF ANOTHER LAYER OF SUPERVISION WHICH COULD NEGATIVELY AFFECT THE CIVILIAN TECHS GRADE LEVELS. WE BELIEVE THAT THE ARMY'S ULTIMATE GOAL IS THAT THEY ARE TRYING TO REMOVE AGR'S FROM THE SUPERVISORY CONTROL OF CIVILIAN TECHS, AND CREATE POSITIONS FOR THE HUNDREDS OF OFFICERS WHO AT PRESENT THEY MUST EITHER FIND POSITIONS FOR OR REMOVE FROM THE AGR PROGRAM.

STATUS QUO

WE CONTINUE TO BE CONCERNED THAT WHILE THE ARMY INFORMS THE CONGRESS THAT CIVILIAN TECHNICIANS ARE CRITICAL UPON MOBILIZATION AND THEREFORE MUST BE DUAL STATUS, THEY CONTINUE THROUGH IMPLEMENTATION OF THEIR OWN REGULATIONS TO ELIMINATE CIVILIAN TECHNICIANS FROM THEIR MILITARY STATUS

WHO ARE FULLY QUALIFIED, THEREBY CREATING " STATUS QUO TECHNICIANS." EXAMPLES OF THIS ARE ELIMINATION FOR MAXIMUM YEARS OF SERVICE AND ELIMINATION BY QUALITATIVE RETENTION BOARDS. OF PARTICULAR NOTE SHOULD BE THAT, ALTHOUGH THE ARMY HAS WRITTEN PROVISIONS IN THEIR REGULATIONS WHERE TECHNICIANS REMOVED FOR THE ABOVE REASONS MAY REQUEST RETENTION FROM THE CHIEF, ARMY RESERVE, TO DATE, WE KNOW OF NO INSTANCES WHERE PRE-83 TECHNICIANS HAVE BEEN GRANTED APPROVAL.

I AM QUITE SURE THE ARMY WILL SAY WHEN ASKED THAT THEY ARE USING THE SAME CRITERIA FOR REMOVAL OF CIVILIAN TECHNICIANS AS ALL RESERVISTS. THIS IS PROBABLY TRUE AND IS IN FACT THE PROBLEM. ON ONE HAND, THEY STATE CIVILIAN TECHNICIANS ARE DIFFERENT BUT WHEN IT SUITS THEIR DESIRES, THEY REVERSE THEIR POSITION AND SAY THEY MUST BE TREATED THE SAME AS OTHER DRILLING RESERVISTS. HOW CAN THEY JUSTIFY RETAINING DRILLING RESERVISTS, WHO CONTRIBUTE ONLY ON THE AVERAGE OF SIXTEEN HOURS A MONTH, AND REMOVE CIVILIAN TECHNICIANS, WHO PERFORM ON THE AVERAGE OF 200 HOURS PER MONTH TOWARDS THE OVERALL READINESS OF THE UNIT.

PROTECTIVE LANGUAGE CONTAINED IN REPORT 98-567

IT IS IMPERATIVE THAT THE LANGUAGE CONTAINED IN REPORT 98-567 WHICH ACCOMPANIED FY 83 DEFENSE APPROPRIATIONS BE MADE LAW. EVERY YEAR, SINCE WRITTEN, THE ARMY HAS ATTEMPTED TO VIOLATE THE PROVISIONS WRITTEN AND EVERY YEAR IT HAS BEEN NECESSARY FOR THIS COMMITTEE TO CONTINUALLY RE-ADDRESS THIS MATTER.

MR. CHAIRMAN, THIS CONCLUDES MY TESTIMONY AND I WILL BE HAPPY TO RESPOND TO ANY QUESTIONS YOU OR OTHER COMMITTEE MEMBERS MAY HAVE.

DEPARTMENT OF THE ARMY
U.S. ARMY FINANCE AND ACCOUNTING CENTER
INDIANAPOLIS, IN 46249

SUBJECT: PERSONAL STATEMENT OF MILITARY COMPENSATION 31 JANUARY 1989

This Statement is provided you at the direction of the US Congress, which has approved its format and contents. Although we are generally aware of our overall compensation, there is no one place where we can see it all together. Our annual W-2 Statement of Taxable Wages shows only basic pay, incentive pay and special pay. Neither our W-2 nor our Leave and Earning Statement (LES) shows the indirect compensation items that increase our spendable income. There are many possible ways to compute total compensation value; we have tried to show these values in a way that will mean the most to you.

SUMMARY:			
	Your annual direct pay as of 31 January 1989	$ 30408.52	(Page 1)
	Added value of additional/indirect compensation	$ 5138.52	(Page 2)
	SUBTOTAL	$ 35547.04	
	Additional considerations/programs (Your Estimate)	$	(Page 3)
	TOTAL COMPENSATION		

The added value shown is an estimate of the amounts you would have to pay each year for major entitlement programs if the Government did not provide them for you. The following information provides more details on the value of your personal compensation and a chance to add up the value of other programs available to you.

DIRECT COMPENSATION AS OF 31 JANUARY 1989 (Note 1)

A. MILITARY PAY This term describes the basic elements of compensation paid to all military members. It includes Basic Pay, the value of living quarters or Basic Allowance for Quarters (BAQ), the value of meals furnished or Basic Allowance for Subsistence (BAS), the CONUS Variable Housing Allowance (VHA) and/or Overseas Station Housing Allowance (HA), and the amount of additional Federal tax you would have to pay if your quarters or BAQ, meals or BAS, CONUS VHA and/or overseas HA were taxed. Your Military Pay is:

		Monthly Rate	Annual Rate
BASIC PAY	(Note 2)	$ 1343.40	16120.80
BAQ or quarters valued at BAQ rate	(Note 3)	387.90	4654.80
BAS or meals valued at BAS rate	(Note 3)	199.64	2350.60
VHA and/or HA		375.51	4506.12
Federal Tax Advantage SINGLE 00 EXEMPTIONS		$ 231.35	2776.20
TOTAL MILITARY PAY		$ 2537.80	30408.52

B. INCENTIVE AND SPECIAL PAY. This pay is in addition to Military Pay for people in certain skills and assignments. Not all members get this pay. Your monthly incentive and special pay is as follows:

TOTAL INCENTIVE AND SPECIAL PAY	$	
TOTAL DIRECT COMPENSATION	$ 2537.80	30408.52

Note 1: Pay items on your 31 January 1989 LES. Marital status and exemptions taken from your federal tax records. Annual rates for HA, COLA and enlisted BAS are for 365 days, not 12 times January 31 day rate.

Note 2: Basic Pay for officers in the ranks of Lieutenant General and higher is capped. The amount reflected here represents the reduced amount.

Note 3: If BAQ or BAS was not in effect on 31 January, we assumed you received quarters or meals worth about as much as BAQ or BAS. If you received partial BAQ, we assumed that the partial BAQ and value of quarters together roughly equal full BAQ.

ADDITIONAL/INDIRECT COMPENSATION

Your direct compensation is supplemented by special allowance, retirement, health care, and other programs. These have a cash value to you in terms of spendable income. They are a real and important part of your compensation, and should be considered in adding up your real pay value.

	Monthly Rate	Annual Rate

A. ALLOWANCES. In addition to your Military Pay, certain special allowances may be authorized. These may include a cost of living allowance in certain overseas areas, family separation allowance, clothing replacement allowance, etc. These allowances are listed on your LES. (Note 1, page 1)

TOTAL ADDITIONAL ALLOWANCES .... $ 18.00 $ 216.00

B. RETIREMENT: You can retire after 20 years of service and receive a monthly payment equal to 50% of your basic pay for the rest of your life. For each year after 20, another 2.5% is added, up to a maximum of 75% at 30 years of service. (If you first became a member of the uniformed service on or after 1 Aug 86, this percentage will be reduced by 1% for each year short of 30, i.e., 20 years = 40%, 29 years = 71.5% until you reach age 62. At age 62 your retired pay will be increased to the full percentage.) Civilians in Civil Service and many private companies have to pay into their retirement plan and most have to wait until age 55 or 65 to begin getting retired pay. These are current monthly retired pay amounts for typical retiring military people: E-6 (20 YOS) - $791.00; E-9 (26 YOS) - $1,754.00. Under a plan like the Civil Service system, you would have to pay in up to 7% of your pay every month toward your retirement. Compared to this, your military retirement means monthly savings as follows:

7% X $ 1343.40 (basic pay) .... $ 94.04 $ 1128.48

C. MEDICAL CARE. The worth of your medical coverage depends on how much you use it. However, since your major medical needs are provided for, there is no need for you to carry medical insurance available to civilians ranging from no cost to all cost for the employee. In Civil Service, one plan that gives about the same medical coverage costs the employee $84.48 every two weeks for a single person and $174.77 for a family. Compared with Civil Service health care, the military health care system saves you $2,196 (single) or $4,544 (family) each year (26 pay periods times $84.48 or $174.77) .... $ 183.04 $ 2196.48

D. DEATH AND SURVIVOR PROGRAMS. If you die on active duty your survivors are eligible for life insurance and other payments. You may buy life insurance up to $50,000 at a very low cost. Also, your dependents would receive a death gratuity ($3,000) and monthly Dependency and Indemnity Compensation (DIC) payments, ranging from $539 for an E-1 to $735 for an E-9. Past studies have shown that the average military member would have to pay about 2.4% of his or her basic pay in extra insurance costs to get the same coverage.

2.4% X $ 1343.40 (basic pay) .... $ 32.24 $ 386.88

E. SOCIAL SECURITY COVERAGE. Military people are eligible for old age, retirement, and disability benefits on the same basis as civilians. The Government contributes to the member's Social Security Benefits. In 1989, this amounts to 7.51% of basic pay (maximum $3,604.80) .... $ 100.89 $ 1210.68

INDIRECT COMPENSATION (A+B+C+D+E) .... $ 428.21 $ 5138.52

DIRECT COMPENSATION (from page 1) .... $ 2537.80 $ 30408.52

TOTAL .... $ 2966.01 $ 35547.04

OTHER CONSIDERATIONS:

In adding up the total worth of your compensation package, you also need to consider the many other programs and privileges you have such as those shown on the next page. Their true worth will be different for each person, depending on use. You should think seriously about how much you may have saved by using these programs over the last year.

ADDITIONAL CONSIDERATIONS/PROGRAMS

Your Estimate
Of Annual
Value/Savings

JOB SECURITY. Steady income, pay raises each year, longevity increases, competitive promotion opportunities.

STATE/LOCAL TAX ADVANTAGES. Besides being exempt from Federal taxes, BAQ, BAS, VHA, overseas allowances, and in-kind food and housing are not subject to State or local income taxes. Depending on the tax laws of your place of legal residence, this can save you hundreds of dollars each year.

$ ________

BONUS. A significant pay item for many military members (principally enlisted) is a bonus. If you received an enlistment or reenlistment bonus or, if applicable, an officer bonus (may be authorized for scientific/technical officers), you should include the amount in this section.

$ ________

COMMISSARY. In commissaries you buy food at cost plus five percent. This is because each year Congress provides funds for employees' salaries, transportation and other costs. On the average, each dollar spent in the commissary means twenty-five cents in cost savings.

Commissary Monthly Purchase	Commissary Savings
$500	$125
400	100
300	75
200	50

$ ________

EXCHANGES. Offer you savings in excess of 20% compared with prices in commercial stores -- more if sales tax is charged in off-post establishments. The 20% or greater savings is an average and will be more on some items and less on others. If you spend the following, your savings approximate:

Monthly Purchases	- - - - - Monthly Savings - - - - -		
	20% Rate	24% Rate	28% Rate
$400	$ 80	$ 96	$112
300	60	72	84
200	40	48	56

$ ________

LEAVE AND HOLIDAYS. Military members are entitled to 30 days of leave a year (including Saturdays and Sundays) plus ten holidays. There is no limit on the number of sick days you may be authorized by medical authorities. Members receive full pay and allowances during all authorized absences.

$ ________

RETIRED PAY INCREASES. To protect retired members' purchasing power, military retired pay is adjusted periodically, based on the increase in the Consumer Price Index (CPI).

$ ________

SURVIVOR BENEFIT PLAN (SBP). Retirees can guarantee their dependents a share of their retired pay by signing up for the survivor benefit plan. The maximum annuity is equal to 55% of retired pay. Just as with retired pay, this annuity is adjusted periodically based on increase in the CPI. If you die on active duty and at the time of your death you have 20 or more years of service, your survivor will get an annuity equal to the difference between the dependency and indemnity compensation payment and the maximum SBP payment. This coverage while on active duty is at no cost to you.

$ ________

EDUCATION PROGRAMS. Members in authorized off-duty education programs may have 75%-90% of their tuition paid by the government depending on grade and years of service. Members who entered service before 1977 can get up to 45 months of educational credits at about $432 per month. Members who established their Veteran's Educational Assistance Program (VEAP) account before 1 July 1985 may earn educational benefits worth up to $8100. In addition, some qualifying members receive a supplement to basic VEAP of up to $18,300. Members who entered service after 1 July 1985 may be eligible for the new GI Bill benefits of from $250 to $700 per month depending on conditions of enlistment. Members assigned overseas are provided space-required schooling for their dependents.

$ ________

MORALE, WELFARE AND RECREATION (MWR) ACTIVITIES. Base theaters, bowling alleys, golf courses, hobby shops, child care centers, etc., offer services and entertainment at a much lower cost than most off-base facilities.

$ ________

COUNSELING AND ASSISTANCE PROGRAMS. Military members can get free legal counseling and assistance, education services counseling, and may be provided personal financial management training where available. Emergency loans and grants may be provided by the Army Emergency Relief.

$ ________

SPACE AVAILABLE TRAVEL. Members on leave may travel space-available on MAC aircraft. A $10 fee is charged for each trip outside the CONUS. This can provide substantial savings over commercial fares where MAC terminals are accessible.

$ ________

(Add this amount to Summary Total on page 1) TOTAL VALUE OF ADDITIONAL CONSIDERATIONS/PROGRAMS $ ________

TUESDAY, APRIL 25, 1989.

MILITARY TECHNICIANS

WITNESS

COL. MILTON BOGOLUB, U.S. ARMY RESERVE

INTRODUCTION

Mr. MURTHA. The next witness is Colonel Milton Bogolub, United States Army Reserve. Colonel Bogolub.

STATEMENT OF COLONEL BOGOLUB

Colonel BOGOLUB. Thank you for having me.

I am responsible for managing the Reserve program in the State of New Jersey. I appreciate the opportunity to once again appear and to thank the Members of this subcommittee for your concern and interest in the full-time support of the Army Reserve.

MILITARY TECHNICIANS

Despite the conclusive findings of the GAO and the Surveys and Investigative staff of this subcommittee, which indicate that the AGR program is significantly more expensive than the Military Technician Program, with no increase in readiness, the Army Reserve continues in its efforts to replace military technicians with AGRs in its troop program units.

It has been estimated that the continued use of AGRs result in additional costs of millions of dollars a year with a five-year additional cost estimated to be in the billions.

Since 1983, the Congress has specifically prohibited changing military technicians' jobs descriptions and supervisory responsibilities. Yet, to date, almost all technicians' job descriptions have been changed.

In order to force commanders to use the new descriptions, vacant positions are not filled unless the new description is utilized. The bottom line is that the descriptions do not fill the needs of the Army Reserve or improve full-time support. The imposition of these descriptions has created confusion, reduced efficiency and has negatively impacted on the mobilization readiness of the Army Reserve.

In a letter to the Chief, Army Reserve, in December of 1988, Chairman Whitten indicated that the committee was troubled by the establishment of new technician job descriptions which would diminish technician responsibilities and allow commanders to exercise discretion in designating who will administer the unit in his absence.

The Chief, Army Reserve, was directed to discontinue this practice and provide the committee a fact sheet addressing the issue. Yet, only a month later, a joint OSCAR/FORSCOM document was published containing specific policy in direct contravention of the Chairman's direction.

The Chairman's letter also expressed concern over the Army Reserves' continuing practice of reducing technician positions, moving technicians' spaces and changing technician job descriptions.

I can assure you that to date there has been no corrective action or changes in Army Reserve policy in any of the areas cited.

Managing a work force without being permitted to enter the rating chain is at best challenging. However, this is the case in the Army Reserve due to the stubborn unwillingness of the FORSCOM AGR staff to allow even the most senior military technician to rate the AGRs they supervise.

Current Army regulations direct that the person most knowledgeable and responsible for an individual's performance should be designated as rater. Yet, AR 135-18 (the Active/Guard Reserve Program) negates this basic principle of good management by excluding the full-time supervisor from the rating chain. As a result, the military technician is the only department of the Army civilian specifically prohibited from rating soldiers they regularly supervise.

The creation of status quo technicians continues unabated. Despite the passage of laws, intended to retain technicians as viable mobilization assets, the Army Reserve continues to utilize its regulations to remove fully qualified and capable technicians from their military assignments.

Most military technicians being released involuntarily from their units are fully qualified to perform military duties. Technicians denied retention have entered on AGR tours, and many have joined the Reserves of other services.

BUDGET CUTS

Another area of concern is the maintenance of the technician floor. Despite overall increases in technician authorizations by the Congress, continuous local manipulation of authorizations and funding has made attainment of strength at best difficult.

We have recently been notified of impending cuts of reserve spaces due to budget constraints. It is submitted that the dollars required to maintain USAR TPU strength at current levels could be easily attained by cutting AGR staff spaces at DA and FORSCOM.

There are also many positions occupied by AGRs throughout the Army that are questionable as to their relationship to the USAR and to USAR readiness.

In addition, a review of AGR spaces in TPUs will also reveal many positions, such as full-time inspectors general, that could be returned to Reserve incumbency without affecting readiness. Replacement of AGRs at TPU level by technicians would also make additional millions available with no reduction in readiness.

The number of AGRs for which disciplinary action is required also continues to be of concern. In recent years, the proportionately great number of disciplinary cases due to criminal acts, violation or military regulation and civil law is at best disturbing. From discussion with SSAAs from other commands, it is believed this situation prevails throughout the Army reserve.

COMMAND AND CONTROL

I have recently been made aware of the current study into command and control of USAR. After more than 35 years with the Reserve program, I have been subjected to almost every conceivable command and control scheme.

The Army Reserve has no infrastructure that parallels the current full-time National Reserve Command structure which includes a full-time State AG and a well-staffed State headquarters. Creation of intermediate command and control organizations for the Reserve would be at best cost prohibitive.

While Forces Command has been chastised over the years for problems associated with the management of the Reserve program, I hasten to add that as early as 1983, it was recognized that it was not FORSCOM per se, but instead Reserve officers on tours of active duty that have provided the so-called Reserve expertise upon which the FORSCOM commander based his decisions.

If command of the Reserve reverts to the Chief Army Reserve, it will be these same officers who will continue to dominate the program for their own personal interests. We will lose contact with the true active component professional at DA and FORSCOM, and our close association with Army headquarters, an association which I believe is vital to the proper management, utilization and training of the Army Reserve.

SUMMARY

In closing, I would like once again to recommend a hearing into all aspects of full-time support for the Army Reserve. Testimony under oath would permit the Congress to more adequately examine the waste in funds, the abuse of authority and deception being practiced in the area of full-time support of the Army Reserve.

Thank you for permitting me again to appear before the subcommittee.

Mr. MURTHA. Mr. McDade.

Mr. McDADE. No questions. Thank you for a fine statement.

Mr. MURTHA. Mr. Miller.

Mr. MILLER. No questions.

Mr. MURTHA. The committee will adjourn until 1:30 p.m. today. Thank you very much.

[The statement of Colonel Bogolub follows:]

STATEMENT

MILTON BOGOLUB
COLONEL, FIELD ARTILLERY, USAR

STAFF SUPERVISORY ADMINISTRATIVE ASSISTANT
78TH DIVISION (TRAINING)

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

101ST CONGRESS

APRIL 25, 1989

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE APPROPRIATIONS
COMMITTEE

Mr. Chairman: I sincerely appreciate the opportunity to once again appear and to thank the members of this subcommittee for your concern and interest in the full time support of the Army Reserve. Unfortunately, I have to report to you that Congressional direction continues to be deliberately subverted and violated by individuals in staff elements at Department of the Army and FORSCOM. It is inconceivable that with today's Federal deficits that the Army Reserve totally ignores the requirement of law which directs DOD to use the least costly form of manpower that is consistent with military requirements. Despite the conclusive findings of the GAO and the S & I staff of this subcommittee, which prove that the AGR Program is significantly more expensive than the Military Technician Program, and that it does not in itself increase readiness, the Army Reserve continues in its efforts to replace Military Technicians with AGR's. To achieve their ultimate goal of total AGR control of the Full Time Support Force, individuals at both FORSCOM and DA have continually attempted to devise separate chains of Command, alter Technician responsibilities, supervisory duties and command relationships. In addition, current DA policy prohibits assignment of Technicians to newly activated Troop Program Units despite increases in the Technician floor. It must also be noted that the Military Technician staffing guide, now in use and upon which current authorizations are based, was published in 1972. It has been estimated that the continued use of AGR's, in lieu of Technicians, results in immediate additional costs of millions of dollars a year and a five year additional cost in the billions.

Since 1983 the Congress has specifically prohibited changing Military Technicians job descriptions and supervisory responsibilities. The direction and intent of the Congress was clearly stated in both the law and accompanying Conference Reports. Yet, to date, almost all Technicians' job descriptions have been or are being changed with corresponding changes not only in supervisory responsibilities and relationships, but in major duties, titles, series and in some cases, grades. Most astonishing is the fact that the FORSCOM Civilian Personnel Officer, knowing full well of the Congressional position concerning the changing of job descriptions, simply continues to do so. He does however, indicate that he does not believe the changes are significant. Any prudent individual comparing the new job descriptions with the originals must agree that the revisions dramatically change supervisory controls, responsibilities and many major duties, and have a significant effect on the chain of command. Even the "Supervisory Controls and Major Duties" of the senior SSAA descriptions were changed; an action specifically prohibited as early as 1983. Key phrases, such as "is responsible for assisting the Division Commander in exercising the functions of his command," are totally left out of the changed descriptions. Copies of changed job description and the original descriptions, are enclosed.

The following comments are applicable to all the changed job descriptions: Each new position description is substantially changed by carefully excising significant phrases or substituting/adding words in an apparently cavalier manner. Specifically, several job descriptions are now worded to allow the insertion of another person between the Reserve Commander and the Military Technician supervisor. All references to Military Technicians supervising AGR or AC personnel are either only inferred or curiously absent. Such changes as "monitors" rather than "directs"; "recommends" rather than "supervises"; and "resolves disciplinary problems of civilian employees" rather than "all subordinate full time personnel" creates considerable change in the actual exercise of supervision.

It would seem that all of the job descriptions and supervisory relationships are being changed at this time to accommodate not only current AGR staffing, but to facilitate the bringing of AGR's into units in the future. The changed descriptions allow AGR's to assume not only current Technicians's duties, but to assume supervisory duties to include supervision of the Technicians themselves.

Almost all job titles have been changed. The changes of job titles are confusing to all, Reservists, Technicians and AGR's. Changing SSAA's to SSA's and SAS's could be constructed as an attempt to circumvent the language in the Congressional Reports pertaining to SSAA's. The specific inclusion of the title "SSAA", in the protective language contained in the Congressional Reports, clearly indicates the intent of Congress concerning that specific job. The subsequent failure of the Army to have Congress change the protective language makes the changing of the title at this time inappropriate and at best questionable. If the title changes are intended to parallel occupational code changes, then this is also improper, in that the restrictions within the changed occupational codes also cause improper changes in the duties and responsibilities of Technicians.

In order to force commanders to use the new descriptions, vacant positions are not announced or filled unless the new description is utilized. The defense that pen and ink changes can be made is nonsense. In most cases title, series, and most major duties are effected. Under no circumstances is a request to use the original description honored. The position of the FORSCOM CPO has not gone unchallenged however within the civilian personnel community.

An on site survey conducted by the Office of Personnel Management (OPM) took serious exception to the changed job descriptions (see enclosure). Despite a 15 December 1988 letter from that agency, requiring implementation of their findings, FORSCOM CPO again defied regulatory requirements, is disputing OPM's position and is attempting to change the OPM findings.

The issue of the job descriptions does not stand alone. When reviewed in light of the continuing plans to "civilanize" the Technician work force (i.e., The White Paper, the Center Support Team Concept, the ill fated Command Support Center Plan, and the Secretary of the Army's Memo of July 1985) the changes in the descriptions take on new meaning. As you know, the AGR program desperately needs additional senior officer and NCO positions to provide the upward mobility needed to attain twenty year careers for their personnel. If the protective language is removed and the changed job descriptions implemented, it would, in the future permit the creation of literally hundreds of new senior AGR positions. The bottom line is that the changed descriptions do not fill the needs of the Army Reserve or improve full time support. In fact, they degrade it. The imposition of these descriptions has created greater confusion, reduced efficiency and has negatively impacted on the mobilization readiness of the Troop Program Units of the Army Reserve. ALL THIS, DESPITE THE CONGRESSIONAL DIRECTION THAT TECHNICIANS JOB DESCRIPTIONS, WILL NOT BE CHANGED WHEN AGR'S ARE BROUGHT INTO UNITS.

Further evidence of this callous disregard of the Congress is evidenced by the failure of OCAR to insure compliance with a very recent directive from the Chairman of the Committee on Appropriations. In a letter to the Chief, Army Reserve, dated 1 December 1988, Chairman Whitten indicated that the committee was troubled by the establishment of new Technician job descriptions which would diminish Technician responsibilities and allow commanders to exercise discretion in designating who will administer the unit in his absence. The Chief, Army Reserve, was directed to discontinue this practice and provide the committee a fact sheet addressing the issue - yet, only a month later in January of 1989 a joint OCAR/FORSCOM document, reflecting policy promulgated at a major AGR Conference, contained specific FORSCOM policy in direct contravention of the chairman's direction (see enclosure). The chairman's letter also expressed concern over the Army Reserve's continuing practice of reducing Technician positions, moving Technicians spaces and changing Technician job descriptions. I can assure you that, to date, there has been no corrective action or changes in Army Reserve policy or guidance in any of the areas cited.

Another area in which failure to comply with Congressional direction has negatively impacted on readiness, is the stubborn unwillingness of the FORSCOM AGR Staff to allow even the most Senior Military Technicain to rate Military Personnel whom they supervise on a full time basis.

Throughout the Army, and for that matter, throughout the entire Federal System, performance and/or evaluation reports are required to be rendered by the supervisor most knowledgeable of the individual's day-to-day activities.

Current Army Regulations (AR 623-195 and AR 623-205) direct that the person most knowledgeable and responsible for a soldier's performance should be designated as rater. Yet AR 135-18 (The Active/Guard Reserve Program) negates this basic principle of good management by directing that AGR personnel will be rated only by the Reserve chain of command. This results in ratings being rendered by individuals who "see" the rated soldiers approximately 2 to 4 days a month, while the eight hour a day supervisor is excluded from the rating system. Previous explanations that the full time supervisor had letter input has been proven to be inaccurate since the use of letter input, under the circumstances described, does not meet the Army's regulatory definition for use of letter input. The letters, when submitted, are not included as enclosures to the final report and do not have to be considered by the rater.

This problem was recognized as early as 1983. The then Chairman of this Subcommittee wrote to Secretary Marsh as follows: "On June 13, 1983, First US Army issued guidance concerning duties and responsibilities of SSAAs. While the words seem to indicate compliance with congressional intent, it appears that actual compliance is still very questionable. Although the message indicates that separate chains of supervision will not be devised, a Forces Command Regulation, 135-1 which pertains to the Full Time Unit Support Program, requires that performance evaluation will be retained in the military chain and, as you know, the real supervisor is the person who does the efficiency report." While the letter refers to First Army only, it must be noted that the policy not permitting Technicians to rate AGR's is FORSCOM-wide.

As a result, the Military Technician, despite the unique military requirements of the position, is the only Department of the Army Civilian specifically prohibited from rating the soldiers they regularly supervise.

The creation of Status Quo Technicians continues unabated. Despite the passage of laws, intended to retain Technicians as viable mobilization assets, the Army Reserve continues to utilize its regulations to remove fully qualified and capable Technicians from their Military assignments.

Military Technicians who were hired prior to 1983 and who became subject to involuntary transfer from the unit are automatically denied their legal statutory and regulatory rights for consideration for retention in a unit because of the following Army Reserve policy: "Extension of active service beyond MRD for Status Quo Technicians or Technicians hired before 8 December is unnecessary since they all have employment until they choose to retire."

What happened to the Army's problems with "Status Quo"? Why is civilian job protection even a consideration at this point?

The primary requirement was to keep qualified Technicians in units as mobilization assets. The concern was about their military assignment, not the fact that they had a right to retain their jobs if they were involuntarily removed from their unit. It should also be noted that any Technician who voluntarily leaves his unit or is removed for cause will be released from his civilian job regardless of when he or she was hired.

Military Technicians being released involuntarily from their units for attainment of maximum years of service, tenure, reorganization or removal due to qualitative retention regulations remain fully qualified to perform military duties. Military Technicians denied retention, in order to maintain their military status have:

--Entered on AGR tours - even in the same unit they were put out of as Technicians.

--Joined the National Guard

--Joined the Naval Reserve, Marine Reserve, Coast Guard Reserve

--Joined the Air National Guard and joined the Air Force Reserve

Does it make sense? Of course not, unless you are an AGR on the FORSCOM or OCAR AGR Staff. You have disrupted the Full Time Management in the Army Reserve, and more importantly, opened up spaces for AGR incumbency and upward mobility.

Another area of concern is the maintenance of the Technician floor. Despite overall increases in Technician authorizations by the Congress, continuous local manipulation of authorizations and funding has made attainment of strength, at best, difficult. As an example: In October of 1988, we were notified that the Division would receive six additional Military Technician authorizations. In November 1988, we received the funding to support the six additional FY89 Military Technician authorization increases. The total amount received however, was $21k. Despite the authorization, this equates to approximately one individual, since a GS-6/Step 1 (Military Technician Journeyman Grade) including benefits, costs $20.3K a year. This type of manipulation was prevalent throughout 1988.

We have recently been notified of impending cuts of Reserve spaces due to impending budget constraints. It is submitted that the dollars required to maintain USAR TPU strength at required levels could be easily attained by cutting AGR staff spaces at DA and FORSCOM. There are also many positions occupied by AGR's throughout the Army, that are questionable as to their exact value or relationship to the USAR and to USAR readiness. In addition, a careful review of AGR spaces in TPU's will also reveal many positions, such as full time Inspector Generals that could be returned to Reserve incumbency without effecting readiness. Replacement of AGR's at TPU level by Technicians would also make additional millions available with no reduction in readiness and preclude reductions of the very heart of the Army Reserve, The Reserve Soldier.

There are two additional Areas of Concern that I believe seriously affect the readiness of the Army Reserve. One is the lack of proper support by the US Army Recruiting Command. The other is the burgeoning number of AGR disciplinary cases.

Until the assumption of the recruiting responsibilities by USAREC, the term "ghost" was foreign to the vocabulary of the Army Reserve. It has since become an every day expression. It refers to new accessions from the IRR who never show up in the unit to which assigned. Although reduced in the past year through careful record keeping that has enabled us to more readily identify recruiters of ghosts, the unpleasant and disruptive situation continues. More than twenty-five percent of accessions from the IRR in the State of New Jersey never show up at the unit of assignment. Other categories such as onetime no-shows and assignment of individuals with prior unsatisfactory attendance records, makes the percentage even higher. The reward for uncovering this situation is continued pressure by USAREC to remove TPU's from the State of New Jersey. Their basis is that the thirteenth most populous state in the Nation is unable to support a Reserve strength of less than 6,000 Reservists. Since demographic data utilized by the State does not agree with demographic data utilized by USAREC, and considering the recent reduction of National Guard strength in the state, the USAREC position becomes even more questionable. As a result of conversations with other Senior SSAAs, the ghost problem described herein has been prevalent throughout the Continental US and results in an overall erroneous estimate of total Reserve strength and, of course, readiness.

The number of AGRs for which disciplinary action is required continues to be of concern. In recent years, the proportionately great number of disciplinary cases due to criminal acts, violation or military regulation and civil law is, at best, disturbing. Once again, from discussion with SSAA's from other commands, it is believed this situation prevails throughout the Army Reserve as the quality of AGR's entering the program diminishes.

I have recently been made aware of the current study/investigation into command and control of the USAR. After more than 35 years with the Reserve program, I have been subjected to almost every conceivable command and control scheme from overcontrol at State level, to the almost no control of a Continental Army Command. The Army Reserve has no infrastructure that parallels the current full time National Guard Command and Control structure which includes a full time State AG, and a relatively well staffed State headquarters to administer it's units below NGB level. Creation of similar intermediate command and control organizations for the Reserve would be, at best, cost prohibitive. Without some intermediate command, the span of control from OCAR would be too great. I cannot therefore conceive of any effective command and control scheme that would remove the numbered Armies from their current close associations with the troop program units they now command. While Forces Command has been chastised over the years for problems associated with the the management of the Reserve program, I hasten to add that as early as 1983 it was recognized that it was not FORSCOM, per se, but instead Reserve Officers on tours of active duty that have provided the so called Reserve expertise upon which the FORSCOM Commander based his decisions., This is as true today as it was then. If command of the Reserve reverts to the Chief, Army Reserve it will be these same officers who will continue to dominate the program for their own personal interests. We will lose contact with the true Military professional at DA and FORSCOM, and our close association with Army headquarters. An association which I believe is vital to the proper management, utilization and training of the Army Reserve.

In closing I would once again recommend a hearing into all aspects of full time support for the Army Reserve. Testimony under oath would permit the Congress to more adequately examine the waste in funds, the abuse of authority and deception being practiced in the area of full time support for the Army Reserve.

Thank you for permitting me to once again appear before this subcommittee.

[CLERK'S NOTE.—Material enclosed with statement has been retained for the Committee's files.]

AFTERNOON SESSION

TUESDAY, APRIL 25, 1989.

CHICAGO MUSEUM OF SCIENCE AND INDUSTRY

WITNESS

HON. CHARLES A. HAYES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS

INTRODUCTION

Mr. MURTHA. The committee will come to order. Our first witness this afternoon is Mr. Charles Hayes, a member of Congress.

Welcome to the committee, Mr. Hayes. We appreciate your coming, and we will certainly do anything we can to help. We have a limit of five minutes, but I know in five minutes you can say everything you want to say.

STATEMENT OF CONGRESSMAN HAYES

Mr. HAYES. I will try to comply with your time constraints, Mr. Chairman.

CHICAGO MUSEUM OF SCIENCE AND INDUSTRY

Mr. Chairman and Members of the subcommittee, thank you for providing me the opportunity to testify before you today. I am here on behalf of the Chicago Museum of Science and Industry, which is located in my congressional district. With me is Mr. Gene Brandt, vice president for External Affairs for the museum.

By way of background, the Museum of Science and Industry, which is, as I said, located in my district, is America's oldest and largest science museum, hosting almost five million visitors annually. Many of those visitors are youngsters and young adults eager to learn about science and technology.

NAVY SEAPOWER EXHIBIT

Over 30 years ago, the Navy placed an exhibit in the museum called "Seapower." The exhibit was intended to demonstrate naval technology and to serve as a public information vehicle to promote the Navy image and Navy recruiting efforts. The recent incident that occurred on the U.S.S. IOWA certainly indicates that it might be helpful to improve our image at this time. It has served these purposes well.

Over 20 million people have viewed "Seapower" since its opening in 1959. These visitors have studied large-scale models of an aircraft carrier and destroyer and have learned to understand the capabilities of nuclear submarines and ballistic missiles systems. They have discovered the secrets of undersea and ocean exploration using deep-diving submarines and they have received a full introduction of the Navy's surface fleet.

The exhibit has provided a stimulating and informative experience for visitors through a variety of innovative exhibit techniques.

The Navy, the museum and the Chicago area have benefited greatly from having this important exhibit on display.

Unfortunately, the "Seapower" exhibit is showing its age. The technology displayed is no longer current, the images of people and places are dated and the wear and tear from millions of visitors has taken its toll.

Both the museum and the Navy have long recognized the need for a new exhibit, and efforts have been under way toward that goal for five years. The Navy funded research to produce a design proposal for a new exhibit, yet the renovation itself was never funded.

At this point, the exhibit is in such terrible condition that it must either be replaced with a new one very soon or simply be removed. In short, the current exhibit is an embarrassment to both the U.S. Navy and the museum.

FUTURE NAVY EXHIBIT

The plans for a new exhibit feature advanced technologies which have been developed in support of basic Navy missions: on the sea, under the sea, in the air and in space. The proposed new exhibit will stress the "human factor," the interface of naval personnel with operating technologies and the people involved in research and development efforts. The historical contributions to science and technology through naval research will continue to be highlighted.

The proposed new exhibit will utilize the latest exhibit techniques, including computer-based simulations and interactive computer-video disk stations. Specific units of the exhibit might include command, control and communications system, perhaps with operating communications: a simulation of the sounds and sensations of a pilot landing on an aircraft carrier; and a mock-up of a combat information center aboard an AEGIS cruiser.

The next exhibit, as did the old one in its prime, will afford visitors a unique view into the range of operations of the modern Navy, not only in its role in the country's defense, but also its significant contributions to science, technology, research and policy. The new exhibit will reach an exceptionally large and diverse audience.

COST OF THE NAVY EXHIBIT

The proposed cost of a new exhibit is approximately $3 million. I have suggested to the museum that if Federal funding can be made available, that they secure a 50 percent match. This way Federal funds will be leveraged and more effectively utilized.

I appear before your subcommittee requesting that you earmark $2 million for this important project. The funding can be made available within the public information account of the Navy Manpower budget.

I recognize, Mr. Chairman, that your subcommittee faces serious budget constraints in fiscal year 1990. This project, however, is a minimal investment in the Navy's public relations and recruiting efforts, whereas the current exhibit is counterproductive to those efforts.

Congress and the Navy are responsible for allocating a portion of the funds necessary to rid ourselves of this negative embarrassment. If Congress provides base funding, I know that the museum will follow through on its part of the bargain.

Finally, I will be working with the Members of the Armed Services Committee to see that this project is authorized in fiscal year 1990. It is my hope that the authorizing committee will support funding for this request in fiscal year 1990.

Again, Mr. Chairman, Members of the subcommittee, thank you for the opportunity to testify before you today, and I would like to request that the full text of this statement be made a part of the record.

Mr. MURTHA. It will certainly be made part of the record, and we appreciate your coming before the committee.

[The statement of Mr. Hayes follows:]

STATEMENT
OF
THE HONORABLE CHARLES A. HAYES
BEFORE
THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
APRIL 25, 1989

Mr. Chairman, members of the Subcommittee, thank you for providing me the opportunity to testify before you today. I am here on behalf of the Chicago Museum of Science and Industry which is located in my Congressional district. (With me is Mr. Gene Brandt, Vice President for External Affairs for the Museum.)

By way of background, the Museum of Science and Industry, which is, as I said, located in my district, is America's oldest and largest science museum, hosting almost 5 million visitors annually. Many of those visitors are youngsters and young adults eager to learn about science and technology.

Over thirty years ago the Navy placed an exhibit in the Museum called "Seapower". The exhibit was intended to demonstrate naval technology and to serve as a public information vehicle to promote the Navy image and Navy recruiting efforts. It has served these purposes well.

Over 20 million people have viewed "Seapower" since its opening in 1959. These visitors have studied large-scale models of an air-craft carrier and destroyer and have learned to understand the capabilities of nuclear submarines and ballistic missiles systems. They have discovered the secrets of undersea and ocean exploration using deep diving submarines and they have received a full introduction to the Navy's surface fleet. The exhibit has provided a stimulating and informative experience for visitors through a variety of innovative exhibit techniques. The Navy, the Museum and the Chicago area have benefited greatly from having this important exhibit on display.

Unfortunately, the "Seapower" exhibit is showing its age. The technology displayed is no longer current, the images of people and places are dated and the wear and tear from millions of visitors has taken its toll.

Both the Museum and the Navy have long recognized the need for a new exhibit, and the efforts have been underway toward that goal for five years. The Navy funded research to produce a design proposal for a new exhibit, yet the renovation itself was never funded. At this point, the exhibit is in such terrible condition that it must either be replaced with a new one very soon or simply be removed. In short, the current exhibit is an embarrassment to both the U.S. Navy and the Museum.

The plans for a new exhibit feature advanced technologies which have been developed in support of basic Navy missions: on the sea, under the sea, in the air and in space. The proposed new exhibit will stress the "Human Factor", the interface of naval personnel with operating technologies and the people involved in research and development efforts. The historical contributions to science and technology through naval research will continue to be highlighted.

The proposed new exhibit will utilize the latest exhibit techniques, including computer-based simulations and interactive computer-video disk stations. Specific units of the exhibit might include a command, control and communications system, perhaps with operating communications: a simulation of the sounds and sensations of a pilot landing on an aircraft carrier; and, a mock-up of a combat information center aboard an AEGIS cruiser.

The new exhibit, as did the old one in its prime, will afford visitors a unique view into the range of operations of the modern Navy -- not only in it's role in the country's defense, but also its significant contributions to science/technology research and policy. The new exhibit will reach an exceptionally large and diverse audience.

The proposed cost of a new exhibit is approximately $3 million. I have suggested to the Museum that if Federal funding can be made available that they secure a fifty percent match. This way, federal funds will be leveraged and more effectively utilized.

I appear before your Subcommittee requesting that you earmark $2 million for this important project. The funding can be made available within the public information account of the Navy Manpower budget.

I recognize, Mr. Chairman, that your Subcommittee faces serious budget constraints in FY '90. This project, however, is a minimal investment in the Navy's public relations and recruiting efforts, whereas, the current exhibit is counter-productive to those efforts. Congress and the Navy are responsible for allocating a portion of the funds necessary to rid ourselves of this negative embarrassment. If Congress provides base funding, I know that the Museum will follow-through on its part of the bargain.

Finally, I will be working with the members of the Armed Services Committee to see that this project is authorized in FY '90. It is my hope that the authorizing Committee will support funding for this request in FY '90. Again, Mr. Chairman, members of the Subcommittee, thank you for the opportunity to testify before you today.

Mr. MURTHA. I only have one question. You mentioned a 50 percent match. If you get this amount authorized, do you want us to put a caveat in there that it would be a 50/50 relationship between Federal money and local money?

Mr. HAYES. I think that would be all right with us. I think it would be fair enough.

Mr. MURTHA. Mr. Livingston.

Mr. LIVINGSTON. No questions.

Mr. MURTHA. Thank you, Mr. Hayes. You get it authorized and we will see if we can take care of it.

TUESDAY, APRIL 25, 1989.

INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS

WITNESS

JAMES E. SOMMERHAUSER, PRESIDENT, INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS

INTRODUCTION

Mr. MURTHA. The next witness is Mr. James Sommerhauser. Mr. Dicks.

Mr. DICKS. I just want to welcome to the committee a long-time personal friend and the President of the International Federation of Professional and Technical Engineers, Jim Sommerhauser. Jim has been a very helpful adviser to me for many years on issues relating to Federal employees and to issues involving the public shipyards of our country, and we are very proud of the fact that he has been elected President of this AFL-CIO union. We are glad to have you here today and look forward to your testimony.

STATEMENT OF MR. SOMMERHAUSER

Mr. SOMMERHAUSER. Mr. Chairman and Members of the committee, I am appearing today on behalf of thousands of our members in the Air Force and Army facilities nationwide. Our membership represents mainly engineers and technicians, scientists and key white and blue collar employees involved in the design, modernization, overhaul and maintenance of major defense assets.

My testimony today will center in three specific areas: certification of and support of a minimum mobilization, the commitment to maintaining and supporting existing defense hardware, and maintaining the necessary expertise in the government portion of the defense establishment to ensure that the public is getting cost-effective expenditures of its funds.

CERTIFICATION OF A MINIMUM MOBILIZATION BASE

On the first subject, certification of a minimum mobilization base, many sectors of our industrial economy have been in downturn. They have relied more and more heavily on government work to maintain their existence, particularly in the shipbuilding, ship modernization and overhaul. We see this trend working towards the same thing.

As this is ongoing, the various constituencies obviously come to their representatives in the Congress for assistance and the Congress has been very willing to come forward on behalf of its individual constituents. No one can criticize the Congress for doing that. However, that activity frequently results in late changes in overhaul schedules, in assignments of ships or aircraft types to particular facilities, and this is costly.

We would like to propose to you that we do not see on the horizon any effort from the administration to come forward with a unified industrial policy that would return some order to this system, at least on the near horizon. We know that your efforts have been along that line to try to foster that.

In the interim, we propose that Congress mandate to the DOD establishment of a minimum requirement, a minimum mobilization base in various industrial categories such as shipbuilding, ship overhaul and repair, aircraft modernization and aircraft repair, that under this requirement the DOD be required to provide specific industrial facilities, specific personnel numbers and skills, and specific capabilities.

Once that list is created, that DOD work in the logistics area, and that maintenance and overhaul be assigned among those various facilities to maintain that minimum base. This assignment should be done in the most cost effective and in a planned manner to have good cost effectiveness.

We would further propose that any facility that is included in that base be required to maintain very specific standards of cost, quality and on-time performance in order to remain a part of that base.

Any DOD overhaul work above that necessary to support the specific mobilization base should be competed among all qualified. As a representative of Federal employees in this area, I feel confident that our people can do a competitive job towards bidding for that work.

MAINTENANCE OF DEFENSE HARDWARE

In the second area, maintaining and supporting existing defense hardware, I have been a personal observer to budget crisis in the past where that commitment towards maintaining existing hardware didn't hold.

As a sailor during Vietnam, I observed overhauls continually stretched out, and critical equipment continually lacking for periodic modernization because we didn't have the funds. Coming out of the Navy in 1972, and going into a naval shipyard, I observed the result of that. In a period of four to six years we saw our naval fleet decline from some 1,800 combat vessels to 400, mainly because we had let them go too long without required maintenance.

We can't afford to do that again. We know what the cost of the new airplane or ship is to replace those we have now. It is never cheaper.

MAINTAINING DEFENSE EXPERTISE

In the final area, not a pitch for my membership but a pitch for a sound move in government. The Department of the Navy last year, through efforts of the Chief of Naval Operations and the Commander of NAVSEA, brought forward a program to reduce the expenditures on existing consultant contracts and to take that money and to transfer it into returning in-house expertise.

The Department of Navy proposed over a six-year period to hire 2,500 engineers, procurement specialists and other technical personnel, and bring them back in-house without any new expenditures of dollars.

We think it is a very cost-effective program and it is unfortunate, but the *Challenger* accident and the scandals that we have had in procurement show us that we don't have the required expertise in-house and that we need to return it.

We have been pitching this with everybody that we have talked to on the Hill. We hope that your support is behind it and that you could use this as a model for other areas in government where we have given away our expertise.

I appreciate the opportunity to testify before the committee. I particularly appreciate your assistance to our members in the Philadelphia shipyard area and Congressman Dicks has been a very good friend.

[The statement of Mr. Sommerhauser follows:]

INTERNATIONAL FEDERATION OF
PROFESSIONAL AND TECHNICAL ENGINEERS
8701 GEORGIA AVENUE, SUITE 701 / SILVER SPRING, MD 20910 / (301) 565-9016

COMMENTS

OF

JAMES E. SOMMERHAUSER

PRESIDENT

INTERNATIONAL FEDERATION OF PROFESSIONAL AND TECHNICAL ENGINEERS
AFL-CIO, CLC

BEFORE

HOUSE APPROPRIATIONS DEFENSE SUBCOMMITTEE

APRIL 25, 1989

Mr. Chairman and Members of the Committee:

My name is James E. Sommerhauser and I am the International President of the 24,000 member International Federation of Professional and Technical Engineers, AFL-CIO, CLC. I am appearing today on behalf of our thousands of members in Air Force and Navy facilities nationwide.

The membership we represent is mainly engineers, technicians, scientists, and key white and blue collar employees involved in the design, modernization, overhaul and maintenance of major defense assets. As such, our members are vitally interested in a cost effective and well maintained defense structure.

My testimony today will center in three (3) specific areas: (1) certification of and support of a minimum mobilization base; (2) commitment to maintaining and supporting the existing defense hardware; and (3) maintaining the necessary expertise in the government portion of the defense establishment to insure the public is getting cost effective expenditures of its funds.

CERTIFICATION AND SUPPORT FOR A MINIMUM MOBILIZATION BASE

For years there has been a decline in the commercial activity in certain sectors of our private industrial base, mainly ship construction and overhaul. More recently we have seen the same situation developing in aircraft modernization and overhaul. Both of these activities have traditionally been performed on military assets at government facilities. As the decline has continued in the private sector for commercial work, that sector has increasingly turned to defense work to maintain its existence. The situation has resulted in fairly open warfare between the public and private sectors.

This situation results in continuous pleadings to Congress to help one side or the other. The Congress, in its attempt to help one side or the other, has frequently stepped in and mandated work to bid or assignment. No one can criticize individual Congressmen in working for the economic well being of their constituents. **THE PROBLEM IS THAT THIS IS A VERY COSTLY WAY TO RUN A BUSINESS.** I offer the recent example of the mandating of coast wide bids for "New Threat Upgrade" work on Navy cruisers. There may be some savings in the actual overhaul cost due to bidding, and certain shipyards may benefit or suffer. However, there **WILL** also be definite losses because the change was late in the planning cycle after considerable expenditures had been made in a different direction.

Unless and until the Administration, or the Congress, can come forward with a national policy that will stop the decline in certain industrial sectors, the above described situation will likely continue. Because we do not believe the Congress and the Administration are likely to agree on a national maritime strategy or other industrial strategies, we offer the following interim plan.

The Department of Defense should be mandated by Congress to produce, and keep updated, a minimum mobilization base requirement in each key industrial category, such as ship building, ship overhaul/modernization/repair, aircraft modernization, overhaul, etc. This requirement should address specific industrial facilities, capabilities, personnel skills and numbers. The Congress should then mandate that all DOD work in each category be assigned in a cost effective and planned manner to support the required mobilization base. Any DOD work in excess to that required to support the mobilization base should be competed among the qualified industrial facilities. Facilities designated as part of the mobilization base should be required to perform to certain standards of cost, quality and on time performance of face removal from the mobilization base.

We believe that such a system would result in significant savings to the taxpayer, greater stability for the industrial facilities and significant muscle in the government's drive to insure cost efficient expenditure of government funds. This may require courage on the part of individual Congressmen and their constituents. I can tell you that my members believe that such a plan is necessary, NOW!

COMMITMENT TO MAINTAIN AND SUPPORT EXISTING DEFENSE HARDWARE

I have been a personal observer of the loss of commitment to maintain existing defense hardware. As a sailor during the Viet Nam conflict, I saw maintenance of complex defense equipment continually put off, and stretched out, because of lack of funds. Coming out of the Navy in 1972 and going into a Naval Shipyard, I watched as ships were retired because it was too costly to attempt to overhaul them after too long a period without required maintenance and modernization. In a short period after Viet Nam I watched our Navy go from 1,800 combatant vessels to 400.

We are again in a financial crisis. Again maintenance and modernization of our existing defense assets is the first dollar category to be severely cut back. We have all observed that the ship or airplane that replaces the one we are using today costs much more. Should we not then make a significant commitment to get the maximum useful life out of our existing assets.

This is not just a matter of nice to have! When the submarine commander directs his crew to surface, would it not be nice to be sure that the submarine will surface. When the catapult operator takes the lives of the aircraft flight crew in his hands, would it not be nice to have the catapult accelerate the aircraft to flying speed before it hits the water. When the pilot puts his aircraft in the terrain following mode, would it not be nice if the aircraft did not fly into hills.

I hope that those in authority have the goal of **DOING THE MAXIMUM MAINTENANCE TO SUPPORT SAFETY AND RELIABLE OPERATION**, and not the minimum maintenance to meet budget constraints.

COMMITMENT TO RETURNING TECHNICAL EXPERTISE IN-HOUSE

After the Challenger accident many people began to realize that the government no longer had in-house expertise to make critical judgements and decisions. In many of the recent problems in defense acquisition, we have identified that government does not have sufficient expertise in-house to make sound judgements. In this area we would like to make note of the efforts of the Navy to address the problem.

Last year the Commander of the Naval Sea Systems Command requested approval of the Chief of Naval Operations to reduce the expenditure for contract consultants and use the funds saved to hire in-house engineers, technical personnel and procurement specialists. The specific purpose was to recover the in-house expertise needed to insure good technical decisions and sound expenditure of funds.

We strongly applaud this action. We encourage you to also support this activity. We realize that in the last several years many in Congress have been pressing for reduction in headquarter personnel. The type of employees being brought back into the technical headquarters are not what we need to cut. We must recover from the situation of hiring one contractor to tell us if another contractor is making a sound technical proposal. We must have in-house technical employees, **WHO HAVE NO PROFIT MOTIVE**, who can give us knowledgeable technical review and advice.

This NAVSEA program will result in 2,349 working level engineers, technical personnel and procurement specialists being brought aboard over the next six years. This is being done with no extra expenditure of funds. I am told that most private contractors are supporting this action because they believe that the Navy will have a stronger organization in the end. On behalf of my membership, both federal employees and private civilians, I ask your support for this program by Navy.

I would like to thank the members of the Committee for listening to my comments today. I would particularly like to thank Congressman Murtha and Dicks who have been consistent friends to my Union and its members, and with whom we have worked together on many issues of importance to the nation and my membership. I would be happy to answer any questions you may have.

MOBILIZATION BASE

Mr. **Dicks**. What you are basically saying here is that we need to get from the Navy and the Department of Defense a minimum mobilization base that would be defined in order to maintain the existing eight public shipyards, isn't that correct?

Mr. **Sommerhauser**. Not just the public shipyards but all facilities related to the activity. If it is overhauling ships, then any shipyard or any employer that has that capability. They need to determine what is their minimum to support peacetime or pre-wartime activities.

Mr. **Dicks**. So both public and private facilities?

Mr. **Sommerhauser**. Yes, sir.

Mr. **Dicks**. I would also comment on your commitment to returning technical expertise in-house. One thing we found in another area over at the Department of Energy as it relates to the facilities around the country where you have the production of nuclear materials, that we have another example of having lost our technical capability to provide oversight over du Pont and some of the companies that ran Savannah River and the Hanford project, et cetera. I think it is just another example of what happens when the government loses that capability to have good, solid oversight and has to rely on contractors.

We wind up now with a very serious problem of whether we can produce tritium and major national security problems of the country. I think that is another example of what you are talking about in terms of trying to return some of the capability in-house.

Mr. **Sommerhauser**. I couldn't agree more. As a 24-year nuclear operator and supervisor, it is of particular interest to me that we control that source of energy with the greatest possible expertise and thought.

Mr. **Dicks**. Thank you.

Mr. **Murtha**. Thank you. Mr. Livingston.

Mr. **Livingston**. No questions, Mr. Chairman.

Tuesday, April 25, 1989.

SMALL AND DISADVANTAGED BUSINESSES

WITNESS

JEFFREY K. WILLIS, LOUISIANA INDEPENDENT RESEARCH AND DEVELOPMENT COMPANY

Introduction

Mr. **Murtha**. The next witness is Mr. Jeffrey Willis with The Louisiana Independent Research and Development Company.

Mr. Livingston.

Mr. **Livingston**. Thank you, Mr. Chairman.

I would like to take this opportunity to welcome a fellow Louisianan and friend who will testify to us about the need to adequately fund the DOD efforts to provide technical assistance to small disadvantaged businesses to the extent that they can actually become qualified to compete for prime contracts or work with prime contractors on a subcontractor base.

Small disadvantaged businesses and all small businesses need more technical assistance than is currently available to them in order to become qualified to do subcontract work.

I want to commend Mr. Willis for taking his time at his expense to come up here and to share his viewpoints because he has been through the wringer in the last couple of years on this issue. He knows a great deal about it, and I welcome him to the committee.

Mr. MURTHA. Mr. Willis.

STATEMENT OF MR. WILLIS

Mr. WILLIS. Mr. Chairman and Members of the committee, I would first like to express my sincere appreciation for this opportunity to sit and speak before this subcommittee.

I am a private businessman from Louisiana.

CONTRACTS WITH MINORITY BUSINESSES

As you are aware, the 99th Congress, in the Defense Authorization Bill of 1987, Public Law 99-661 included in Section 1207 a goal that five percent of the amounts obligated for contracts and subcontracts be let to "small business concerns, including mass media, owned and controlled by socially and economically disadvantaged individuals."

The Secretary of Defense was further mandated to provide technical assistance to those small disadvantaged entities.

In addition, the Secretary was authorized to enter into contracts with minority private sector entities that possess the "experience and expertise in the design, development, and delivery of technical assistance services to eligible individuals, business firms and institutions, defense acquisition agencies, and defense prime contractors."

These contracts may be entered into if the resources of the Department of Defense are inadequate to provide the required technical assistance.

The 100th Congress in its Defense Authorization Bill, Public Law 100-180, enhanced its mandate to the Secretary so that he may ensure that substantial progress is made in this area.

In Section 806, Congress provided guidelines for use by the contracting officers within the Department of Defense that are to be followed so as to make substantial progress relative to the five percent goal.

The guidelines provide, for example, incentives for the prime contractors to subcontract with small disadvantaged entities.

TECHNICAL ASSISTANCE

The wisdom of Congress is quite apparent. In order for small disadvantaged entities to participate in the Department of Defense procurement activities, technical assistance is required and to the degree that their participation would allow contracts and subcontracts to be awarded via full and open competition.

The requirements the prime contractors impose on their subcontractors are those that are necessary to ensure compliance with the prime contract. The technical areas that are subject to DOD regulations include but are certainly not limited to:

One, configuration management which deals with maintaining the integrity of the product from design through delivery with control of contract specifications.

Two, cost/schedule control which, as its title indicates, concerns itself with the control of programs cost and schedule achievement of those items.

Three, quality assurance standards, which is a program designed to control the quality of those items purchased through inspection procedure and testing.

Based on my discussions with major prime contractors in our region, this is the kind of assistance needed before they could see any progress toward the five percent goal established by Congress. These same regulations are imposed by the DOD as well.

I have met, as President of Louisiana Independent Research and Development Council, with the Director of the Defense Department's Small and Disadvantaged Business Utilization Office, and have had numerous telephone conversations with him and his staff relative to providing the mandated technical assistance.

During the initial discussions with the Office of Small and Disadvantaged Business Utilization, I was told that the Department of Commerce and their Minority Business Development Centers would be better positioned to provide the assistance as described.

An examination of the scope and intent of these centers clearly shows that this is not the case.

In addition to the Federal Acquisition Regulations, the Department of Defense has its own acquisition regulations that must be administered, as appropriate, by every prime contractor and subcontractor of the Defense Department.

Mr. MURTHA. If I could stop you at that point, we try to limit our witnesses to five minutes, but some points you are making are so important.

This committee has been in the forefront of this set-aside. Congressman Bill Gray came to Mr. Livingston and myself several years ago and suggested we ought to have a five percent set-aside for small businesses.

This committee initiated that action because we felt it so important that small and disadvantaged businesses have the opportunity to bid on these projects. A couple of years later, the authorizing committee followed up on that idea.

What you are saying is absolutely important to the defense of the country for a lot of different reasons. We think that defense products ought to be spread out, we don't think it ought to be limited to large companies, we think it ought to be diverse and that is the type of action we have been insisting on.

We appreciate what you are saying and your entire testimony will appear in the record.

Mr. Livingston?

Mr. LIVINGSTON. Mr. Chairman, I want to echo your support for the program. I support it as well and I want to ask Mr. Willis if he has any specific incidents that he might want to relate to the committee in a matter of 30 seconds that have caused him to feel the need to come up here.

Mr. Willis. The thing that necessitated my efforts to come here is that in our area we are currently the hardest hit economic region in the Nation short of West Virginia.

We have a large concentration of private contractors and a large concentration of small disadvantaged businesses that should be participating.

We had sufficient wherewithal to pull together the staff to understand the technical procedures for us to do business.

We have at our own expense helped a number of other small disadvantaged businesses do the same.

This should not be coming from us. It was mandated that this type of technical assistance is put out there and we want to coordinate whatever efforts we can to see that it happens and there are sufficient funds to do it.

Mr. Murtha. We are indebted to you for taking the time to do this.

We have the same problem in my district. Small businesses hesitate to get involved because the regulations and rules are so complex.

We have been trying to get the Defense Department to pay more attention to this matter, but they have the tendency to go along with the system as it has been.

We will continue to do that and we appreciate you taking the time to come before the committee.

Mr. Willis. Thank you, Mr. Chairman.

[The statement of Mr. Willis follows:]

Statement of Jeffrey K. Willis

Section 1207-Public Law 99-661

Subcommittee on Defense, Committee on Appropriations

April 25, 1989

Mr. Chairman, first I would like to express my sincere appreciation for this opportunity to sit and speak before this subcommittee. I am a private businessman from Louisiana.

As you are aware the 99th Congress, in the Defense Authorization Bill of 1987, Public Law 99-661 included in section 1207, a goal that 5% of the amounts obligated for contracts and subcontracts be let to "small business concerns, including mass media, owned and controlled by socially and economically disadvantaged individuals".

The Secretary of Defense was further mandated to provide technical assistance to those small disadvantaged entities. In addition, the Secretary was authorized to enter into contracts with minority private sector entities that possess the "experience and expertise in the design, development, and delivery of technical assistance services to eligible individuals, business firms and institutions, defense aquisition agencies, and defense prime contractors". These contracts may be entered into if the resources of the Department of Defense are inadequate to provide the required technical assistance.

The 100th Congress in its Defense Authorization bill, Public Law 100-180, enhanced its mandate to the Secretary so that he may ensure that substantial progress is made in this area. In section 806 Congress provided guidelines for use by the contracting officers within the Department of Defense that are to be followed so as to make substantial progress relative to the 5% goal. The guidelines provide, for example, incentives for the prime contractors to sub-contract with small disadvantaged entities.

The wisdom of Congress is quite apparent. In order for small disadvantaged entities to participate in the Department of Defense procurement activities, technical assistance is required and to the degree that their participation would allow contracts and subcontracts to be awarded via full and open competition.

The requirements the prime contractors impose on their subcontractors are those that are necessary to ensure compliance with the prime contract. The technical areas that are subject to DOD regulations include but are certainly not limited to:

1. Configuration Management which deals with maintaining the integrity of the product from design through delivery with control of contract specifications.

2. Cost/Schedule Control which, as its title indicates, concerns itself with the control of programs cost and schedule achievement.

3. Quality Assurance Standards, which is a program designed to control the quality of those items pruchased through inspection procedure and testing.

Based on my discussions with major prime contractors in our region, this is the kind of assistance needed before they could see any progress toward the 5% goal established by Congress. These same regulations are imposed by the DOD as well.

I have met, as President of Louisiana Independent Research and Development Council, with the Director of the Defense Department's Small and Disadvantaged Business Utilization office, and have had numerous telephone conversations with him and his staff relative to providing the mandated technical assistance. During the initial discussions with the office of Small and Disadvantaged Business Utilization, I was told that the Department of Commerce and their Minority Business Development Centers would be better positioned to provide the assistance as described. An examination of the scope and intent of these centers clearly shows that this is not the case.

In addition to the Federal Aquisition Regulations, the Department of Defense has its own acquisition regulations that must be administered, as appropriate, by every prime contractor and subcontractor of the Defense Department.

Recently, I contacted a number of regional agencies that have administrative control over the assistance programs currently available, including the only Procurement Technical Assistance center in Louisiana, which, incidentally, is over 100 miles from New Orleans and most of the major prime contractors. I was informed that these programs do not address small disadvantaged entities specifically, and more importantly do not provide assistance to the degree required to reach a level of competency dictated by the Department of Defense. These centers deliver services in areas such as helping to fill out the forms to be put on bid list and assess capabilities. These centers operate on a cost sharing basis which means that those entities obtaining services may be assessed a fee.

Mr. Chairman, further discussions with the DOD revealed that adequate funding has not been made available to provide the assistance called out in Public Law 99-661. The DOD pointed out that conferences were held in "15 major cities and have focused on the dissemination of information to the small disadvantaged business community on how to participate in DOD contracting programs." Attending a conference and receiving the necessary technical assistance are not equivalent. It was further stated by the Director of Small and Disadvantaged Business Utilization office of the DOD that this existing effort is sufficient to accomplish the broad objectives in the statute. In the nearly three full fiscal years that this law has been in force the goal has not been met in any year. Is this a wonder when neither the funding to provide the assistance nor the necessary assistance itself has been forthcoming.

Based upon my discussions with the various liaison officers of prime contractors, such as Avondale, Textron, and Ingalls Shipyard, participation by small disadvantaged entities would be welcomed with open arms. Their only requirement is that any subcontractor be technically qualified so as not to hinder their own performance. The DOD has the same qualifications.

The 99th Congress' understanding of this is apparent when it called for the technical assistance. Mr. Chairman, I am asking today that the appropriate monies be made available. The assistance is a means to an end that will see full participation by all segments of society through competition.

Thank you very much for your time and consideration.

TUESDAY, APRIL 25, 1989.

NATIONAL FEDERATION OF FEDERAL EMPLOYEES

WITNESS

MARIE WINSLOW, NATIONAL FEDERATION OF FEDERAL EMPLOYEES

INTRODUCTION

Mr. MURTHA. Our next witness is Ms. Marie Winslow, of the National Federation of Federal Employees.

Ms. Winslow?

STATEMENT OF MS. WINSLOW

Ms. WINSLOW. Thank you, Mr. Chairman and subcommittee members.

The National Federation of Federal Employees appreciates the opportunity to present our views on the fiscal year 1990 budget.

At this time, I would like to request that my entire statement be placed in the record and I will summarize.

Mr. MURTHA. Without objection.

BASE CLOSURES

Ms. WINSLOW. I will summarize on two points: base realignment closures and contracting out.

The National Federation of Federal Employees locals are the exclusive representatives for three of the Air Force installations slated for closure in the Report of the Defense Secretary's Commission on Base Realignments and Closures.

We have serious concerns about the closure of George Air Force Base and Norton Air Force Base in Southern California, and Chanute Air Force Base in Illinois.

We are going to ask the subcommittee not to appropriate any funds for implementation of the commission's report until a full review has been completed.

The reason for this is that we understand the commission's report is replete with erroneous and out-of-date information. We understand that the General Accounting Office has been asked to conduct a full-scale review of the commission's findings. NFFE wholeheartedly endorses this action.

When considering only the three bases represented by NFFE, the number of questionable decisions upon which recommendations were based are staggering.

For example, George Air Force Base, with 361 flying days per year, is the only home of the F-4G also known as the Wild Weasel.

The commission proposes to move the F-4G to Mountain Home Air Force Base which has only 220 flying days per year. It does not make sense to base a one-of-a-kind fighter wing at a location that is unsuitable for flight 40 percent of the time.

The report on Norton Air Force Base states that there is a shortage of warehouse and weapons storage facilities, yet our members who work at Norton everyday can testify to the fact that there is vacant space in the existing weapons storage facilities and that major renovations of warehouse facilities have been completed.

The Chanute Air Force Base was targeted for closing primarily because of alleged lower quality and insufficient facilities.

Since the commission made this finding without taking the trouble to visit the base, they were unaware that the $170 million Congress has appropriated since 1980 to Chanute for construction and improvement of its facilities has been well spent.

So, Mr. Chairman, in light of these concerns, we are requesting that the subcommittee not appropriate any funds for implementation until the report has been completed.

CONTRACTING OUT

Moving on to contracting out, I would like to point out that the fiscal year 1987, 1988 and 1989 DOD Appropriations bills required agencies to complete a most efficient and cost-effective organization analysis and certification before any DOD activity employing more than ten civilians could be contracted out. We would like to urge the subcommittee to include this requirement again in this year's Appropriations bill. This is one example of how valuable this requirement is.

We would like to direct the committee's attention to a contracting-out scheme affecting our local 1263.

The Department of the Army has a feasibility study for contracting out the teaching of low density languages, a function currently performed by the Defense Language Institute at the Presidio in Monterey in California.

The Army claims that it is not conducting an A–76 study in this institute. It refuses to cite what authority is being used, however.

At the very least, a modified study should be conducted since this function involves more than nine and fewer than 45 employees.

And Army indifference to congressional preferences concerning contracting out of DOD functions indicates how vital the MEO certification process required by the previous three DOD Appropriations bill is. Even if a proper MEO study in this instance were conducted, it would be inadequate in our view.

Teaching low-density languages, which include Bulgarian, Hungarian, Indonesia, Malaysian, to military personnel with all the specialized terminology and attendant national security considerations we feel is an inherent governmental function that should never have been considered for contracting out and are stunned that the Army would countenance the loss of the quality control and the military professionalism and linguistic expertise that would necessarily follow if military personnel had to study these languages at college campuses across the country.

Mr. **Murtha**. We will put your entire statement in the record and appreciate you taking the time to come before the committee.

We have a concern also about some of the figures. The legislation passed the Floor overwhelmingly, but we are convinced that is based on the information that was known to the GAO study and the other studies will be taken into consideration.

Ms. **Winslow**. Thank you, Mr. Chairman.

[The statement of Ms. Winslow follows:]

NATIONAL
FEDERATION
OF FEDERAL
EMPLOYEES

NFFE

1016 16th St., N.W.
WASHINGTON, DC
20036
(202) 862-4400

STATEMENT BY

THE NATIONAL FEDERATION OF FEDERAL EMPLOYEES

BEFORE

THE SUBCOMMITTEE ON DEFENSE
HOUSE COMMITTEE ON APPROPRIATIONS

ON

FISCAL YEAR 1990 APPROPRIATIONS

APRIL 25, 1989

Mr. Chairman and Subcommittee Members:

The National Federation of Federal Employees appreciates the opportunity to present our views on Fiscal Year 1990 appropriations for the Department of Defense (DOD). Since approximately half of our membership is employed by DOD, we are especially interested in the subject of today's hearing. Of special concern to us are three issues, base realignments and closures, the contracting out of Federal functions, and education requirements of the civilian technician program.

Base Closures

NFFE Locals are the exclusive representatives for three of the Air Force installations slated for closure in the Report of the Defense Secretary's Commission on Base Realignments and Closures. We have serious concerns about the closure of George AFB and Norton AFB in southern California, and Chanute AFB in Illinois.

The Commission's report is replete with erroneous and out-of-date information. We understand that the General Accounting Office has been asked to conduct a full-scale review of the Commission's findings. NFFE wholeheartedly endorses this action.

When considering only the three bases represented by NFFE, the number of questionable decisions upon which recommendations were based are staggering. For example, George AFB, with 361 flying days per year, is the only home of the F-4G also known as the "Wild Weasal." The commission proposes to move the F-4G to Mountain Home AFB which has only 220 flying days per year. It does not make sense to base a one-of-a-kind Fighter Wing at a location that is unsuitable for flight 40% of the time.

The report on Norton AFB states that there is a shortage of warehouse and weapons storage facilities, yet our members who work at Norton everyday can testify to the fact that there is vacant space in the existing weapons storage facilities and that major renovations of warehouse facilities have been completed.

The Chanute AFB was targeted for closing primarily because of alleged lower quality and insufficient facilities. Since the Commission made this finding without taking the trouble to visit the base, they were unaware that the $170 million Congress has appropriated since 1980 to Chanute for construction and improvement of its facilities has been well spent. Many of the new facilities at the Fire Prevention

School, the Liquid Fuels School and the Weather Training School are unique and would have to be constructed elsewhere at great expense if Chanute were closed.

In light of these concerns and those expressed by many others, it is inappropriate for Congress to consider the Commission's findings as an accurate and valid determination of which military installations should be closed. We therefore request that the Subcommittee not appropriate any funds for implementation of the Commission's recommendations until a full review has been completed.

Contracting Out

NFFE has long been concerned about the serious problems with the management and control of contracting procedures along with the repercussions of such problems on the Federal workforce. Despite the existence of the Office of Management and Budget Circular A-76, which establishes guidelines for contracting out commercial and industrial activities, the procedures involved in converting these functions to the private sector are constantly abused and ignored. The results are cost overruns, shoddy workmanship, sole source contracts, and a waste of taxpayers dollars.

Already, previous revisions applied to the Circular have virtually destroyed cost efficiency, the primary concern of the American taxpayer. Until 1983, government policy stipulated that contracts should be awarded only when cost studies demonstrated it would be less expensive to perform the work under contract than in-house. The policy, which applied to Federal activities worth more than $100,000, protected the Government and the American taxpayer from paying unnecessarily high prices for essential goods and services.

The policy was spelled out in the Circular A-76, but in 1983 the Administration changed the cutoff point below which cost comparison studies are not required. The revised Circular states that Federal activities with 10 or fewer Full-Time Equivalents may be contracted out without a cost comparison study. These activities can be, and have been contracted out by agency heads without having to determine whether the work can be performed more efficiently by Government personnel.

The FY 1986 DOD Authorization Act (P.L. 99-145) raised the cutoff point for its agencies again, this time from 10 employees to 40. A year later, the FY 1987 DOD Authorization Act (P.L. 99-661) raised the threshold to 45. Under the Act, DOD activities employing 45 or fewer civilians are not required to perform a full A-76 review. Without a cost comparison analysis, the American taxpayer can never be certain whether a private contractor's performance of a commercial activity is less expensive.

In response to the authorizing committees' action, the Defense Appropriations Committees modified the cutoff point change in the FY 1987, FY 1988 and FY 1989 Defense Appropriations bills by requiring agencies to complete a most efficient and cost-effective organization (MEO) analysis and certification before a DOD activity employing more than 10 civilians could be contracted. (Under this modified MEO and cost comparison, no conversion costs would be included, nor would there be any appeal rights. It is simply a provision to ensure that the Government is performing a function in the most efficient and cost effective manner before its costs are compared with those of a contractor.) NFFE urges the Subcommittee to include the requirement again in this year's appropriations bill.

To cite an example of how vital this requirement is, we would like to direct the Subcommittee's attention to a rogue contracting out scheme affecting NFFE Local 1263. The Department of the Army has requested a feasibility study for contracting out the teaching of low density languages, a function currently performed by the Defense Language Institute at the Presidio of Monterey in California. The Army claims that it is not conducting an A-76 study in this instance, but refuses to cite what authority is being used. At the very least, a modified MEO study should be conducted, since this function involes more than 9 and fewer than 45 employees. Army indifference to Congressional preferences concerning contracting out of DOD functions indicates how vital the MEO certification process required by the previous three DOD appropriations bills is.

Even a proper MEO study in this instance, however, would be inadequate in NFFE's view. Teaching low-density languages (Bulgarian, Hungarian, Indonesian, Malaysian, etc.) to military personnel, with all the specialized terminology and attendant national security considerations is an inherently governmental function that should never have been considered for contracting out.

NFFE is stunned that the Army would countenance the loss of quality control, military professionalism, specialization, and linguistic expertise that would necessarily follow if military personnel were required to study languages on college campuses across the country. Yet the proposed feasibility study would seem to indicate the contrary.

DLI has spent years perfecting its teaching techniques and facilities. The chance of achieving similar success rates outside is highly problematic. Yet, if the low-density language teaching functions are contracted out and training from other sources proves inadequate, it could take decades to recreate what DLI already has now. This example is typical of the shortsighted decision-making process that seems to plague contracting out questions in DOD. NFFE urges the Subcommittee to withhold funds for contracting out DLI low-density language instruction.

Ironically, once a function is contracted out, it is virtually impossible to return it to in-house performance, even if cost overruns are outrageous. Since it is not in the activity's best interest to acknowledge to the command that contracting mistakes have been made costing thousands of dollars, the commands rarely request re-evaluation, despite the fact that the cost increases are compounded over the life of the contract.

Unfortunately, it is also difficult to predict such cost overruns before the function is contracted out. Because the appeals process for A-76 reviews is extremely narrow in scope, losing in-house bidders rarely can prove that no responsible contractor could perform the function for such a low estimate. Instead, American taxpayers are forced to suffer through the poor performance and cost overruns for the entire contract period. NFFE is current working to broaden the appeals process for in-house operations, so that there will be no recurrence of the horror stories that have become so common in contracting out situations.

Moreover, NFFE supports legislation to require the Government to return any savings achieved from contracting out to the U.S. Treasury. If the Department of Defense is convinced that contracting out government services is a taxpayer's dream, then they should be willing to use the savings to reduce the nation's deficit. Alternatively, if no savings is accumulated or if contracting out is actually shown to cost more money than the government had been spending, perhaps a serious re-evaluation of the program will be conducted. NFFE urges the Appropriations committee to adopt a similar provision in this year's Defense Appropriations bill.

In summary, the Department of Defense, as well as other departments, should be required to convert civilian jobs to the private sector only for the right reasons: cost efficiency and quality performance. Thousands of Federal activities and billions of tax dollars are now wide open to potential abuse, especially within DOD. NFFE strongly urges the Subcommittee to prevent this by including legislative restrictions on contracting out in this year's DOD Appropriations bill.

The Civilian Technician Program

During the past several years, NFFE has appeared before the Subcommittee many times to discuss the civilian technician program. Civilian technicians have helped maintain the National Guard and the Reserves as an effective fighting force for many years. These technicians are called upon to provide full-time administrative, supply, training and maintenance support that has enabled each Reserve component to become a key link in our national defense structure. The Defense Department has recognized that civilian technicians are the group best able to accomplish the task of performing this critical mission. Today, technicians are stationed in every state and territory and at thousands of bases and armories, constantly ensuring that our forces are ready to meet any crisis.

Today I would like to focus on one particular issue concerning civilian technicians: the Military Education Program (MEP). The FY 1989 DOD Authorization Act included language which phased out the Military Education Program for Army National Guard civilian technicians. This action was in response to a General Accounting Office study which demonstrated that the MEP was unnecessarily costly, wasteful of DOD resources and damaging to technician morale.

In response to this legislation, the National Guard Bureau issued a memorandum dated October 31, 1988 which establishes a "professional development program (PDP) for military technicians." NFFE believes that the PDP is basically similar, and in some cases worse, than the MEP, since the requirements for Guard personnel are more severe. In many states, there are no personnel qualified, under the reserve component, for promotion under the new program. Some of our members have been required to retake course they have already completed. NFFE also understands that some of the new requirements are so onerous as to be practically unobtainable.

NFFE is convinced that the new PDP violates the National Defense Authorization Act for FY 1989. To date, the National Guard Bureau has not responded to a request by Representative Beverley Byron (D-MD) made on February 17, 1989 concerning the PDP. We urge the Subcommittee to request a copy of the Bureau's statement on PDP and study it for similarities between the two education programs. If the report shows, as NFFE suspects it will, that the PDP is nothing more than a reincarnated MEP, we urge the Subcommittee to eliminate funding for PDP.

This concludes my statement. I will be happy to answer any questions.

TUESDAY, APRIL 25, 1989.

NATIONAL MILITARY FAMILY ASSOCIATION

WITNESS

DORSEY CHESCAVAGE, NATIONAL MILITARY FAMILY ASSOCIATION

INTRODUCTION

Mr. MURTHA. Our next witness is Dorsey Chescavage of the National Military Family Association. Ms. Chescavage?

STATEMENT OF MS. CHESCAVAGE

Mr. CHESCAVAGE. The National Military Family Association presents the opportunity to express its views this afternoon and I ask that my statement be made a part of the record.

The young military family is patriotic, hard-working, and enjoys a challenge. They appreciate the camaraderie and adventure of service life, the experience of being part of a professional team.

They want to stay in the military, but the challenge of military life must be balanced with a certain assurance of stability, in many instances, financial stability.

EMPLOYMENT FOR SPOUSES

We suggest the following initiatives could provide additional sources of income for the military family at relatively little expense to the Government.

In the area of spousal employment, expanded referral networks to assist family support center employment counselors and a telephone job bank such as the pilot program at Hampton Roads, Virginia could markedly increase spousal employment.

Family support centers and short-term skill enhancing volunteer jobs with the DOD and its agencies could increase the spouse's future earning power.

Courses in portable careers and enhanced opportunities for home-based businesses on military installations could increase the spouse's chance for employment wherever the family is stationed.

CHILD CARE

Affordable, dependable child care is a must for dual working couples. DOD sates that a minimum of 80,000 child care spaces are needed now. NMFA suggests subsidizing child care off post. Several child care spaces in the civilian community could be paid for by DOD, and military families would cost share up to the level of these at post-child development centers.

Most military installations would suffer a severe blow to quality-of-life programs without volunteers. Drop-in child care is a necessity for volunteers. NMFA suggests that drop-in child care be a vital part of military child care programs. Child care is often cited as the most important benefit of military life.

HEALTH CARE

NMFA suggests expanding the hours of primary clinics to enable young working families to access this important benefit. Studies show that preventive health care is extremely cost effective, particularly for a population that continues to receive its care through the same system for several years. NMFA suggests preventive health care and wellness programs be made available to all eligible beneficiaries, not just the active duty. NMFA suggests careful consideration of all current DOD health care demonstration projects. NMFA is concerned that the projects do not include the over-65 population. If the entire beneficiary population in a project area is not included, will the demonstration be flawed?

SUMMARY

Military family members are aware of the budget deficit. They are Americans, voters and taxpayers. They are volunteers who are willing to serve their country, but above all, they are people. They must have faith that those making the decisions affecting their lives do care about them as people and do not view them just as pawns with which to balance the budget.

Thank you very much.

Mr. MURTHA. I appreciate what you have been saying.

This committee has paid particular attention to what we feel are important benefits to the families, and we realize how important it is when we make a contract with those families to make sure that we live up to it.

We have seen some instances, particularly in the Navy, where the medical services were inadequate, and we are trying to rectify that. Years ago, it was worse, and we don't want it to go back to that situation again.

I was down to the memorial service yesterday for the young men who were killed on the IOWA, and it was a touching ceremony. It brought home to me when I looked over at the families in such tragic grief how fragile our democracy is and what an important role they play in protecting our freedom.

So we appreciate what you are saying and we certainly strive to do the best we can to make sure the families are taken care of.

Mr. McDade?

Mr. McDADE. No questions. Thank you for an excellent statement.

Mr. CHESCAVAGE. Thank you.

[The statment of Ms. Chescavage follows:]

NMFA
National Military Family Association
2666 Military Road, Arlington, Virginia 22207-5118
(703) 841-0462 (703) 841-0121

Statement of

DORSEY CHESCAVAGE
Assistant Director of Government Relations
The National Military Family Association, Inc.

Before the

DEFENSE SUBCOMMITTEE
of the
APPROPRIATIONS COMMITTEE
of the
HOUSE OF REPRESENTATIVES

April 25, 1989

Not for Publication
Until Released by
the committee

The National Military Family Association (NMFA) is a volunteer organization composed of members from the seven uniformed services, active duty, retired and reserve, and their family members and survivors. NMFA is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. NMFA appreciates this opportunity to express its views.

Military families of today are apprehensive about their future. They need the assurance of a certain amount of stability in their lives.

STABILITY OF PAY

They need to know that they will not have another cut in take home pay. They must have the assurance that, barring a general economic decline in the United States, they can purchase tomorrow what they can purchase today.

STABILITY OF HOUSING COSTS

They need the assurance that their out-of-pocket housing expenses will not fluctuate wildly every time they move and will stabilize at the 15% mandated by Congress.

STABILITY OF THE MEDICAL BENEFIT

They need the assurance that promised medical care will be available and accessible today and tomorrow.

STABILITY OF OTHER BENEFITS

They need the assurance of continued savings at the commissary and exchange and the assurance that recreational opportunities on post will not be priced out of their family budget.

STABILITY OF MILITARY CAREER

They need the assurance that, given good performance, the military member can count on a career if so desired, and not be subject to arbitrary, budget driven Reductions in Force (RIFS). They need the assurance that earned promotions will not be unnecessarily delayed.

STABILITY OF FAMILY LIFE

They need the assurance that unaccompanied assignments will be as few and as short as possible and that they are mission related and not budget driven.

STABILITY IN THE FUTURE

They need the assurance that the retired pay and benefits promised at recruitment will be there at retirement.

Why does the military family think its stability is threatened?

In 1989, a highly trained helicopter mechanic, E-4, receives $966.50 a month in base pay, 1.2% behind inflation and 10.5% behind the private sector. His young family arrives at each new duty station $1,000.00 to $3,000.00 in debt from unreimbursed costs of Permanent Change of Station (PCS) and temporary living expenses. They are paying 21.5% of their housing costs rather than the 15% envisioned by Congress in legislation. The price for on-post movies, bowling alleys, hobby shops and other recreational outlets have increased 40-100%. Fees for on-post child care have risen substantially and waiting lists are long. Drop-in care, whether for badly needed respite care or for volunteer workers, is essentially unavailable. Since access to medical care in a military treatment facility is limited for his family, the E-4 is forced to send them out on CHAMPUS. The CHAMPUS deductible for his family is $100 a year and his co-payment approaches 30-40%, since less than 50% of physicians accept CHAMPUS assignment.

Military families have been authorized an extra month's Dislocation Allowance (DLA) on PCS. They have never received it. Military families who do not itemize on their federal income tax are no longer able to deduct their unreimbursed PCS costs. Families overseas were suddenly forced to absorb unexpected and extremely costly CONUS transportation for their college students when Overseas Student Travel benefits were reduced. Last summer, families with teenagers, particularly those overseas, were greatly disturbed by the sudden drastic cutbacks in youth programs and youth employment opportunities.

This year's pay raise, substantial increase in Basic Allowance for Quarters (BAQ), and increased household goods weight allowances were greatly appreciated in the military community. However, the military family fears that next year they will have to pay for them through such things as forced family separations, user fees in military treatment facilities, and lost retirement benefits. The military family is well aware that the Administration's budget includes a provision that would decrease the retired pay of an E-7 with 20 years service by $34,000

The American business community is desperate for educated, trained or equally important, trainable young people. The young helicopter mechanic, now highly trained, is a prime target for the airline industry. The have offered him and his wife a free house hunting trip; they have offered to help him purchase a home in a decent neighborhood with excellent schools; they have offered to pay all his moving expenses; they have offered to help his wife find a job; they have offered subsi-dized child care; they have offered a medical and dental insurance plan; they have offered an exceptional retirement plan; and they have offered him a very competitive salary with excellent opportunities for advancement.

The young military family is patriotic, hard working, and enjoys challenge. They appreciate the camaraderie and adventure of service life. They value the experience of being part of a professional team. They want to stay in the military, but the challenge of military life must be balanced with a certain assurance of stability. When the young solder, sailor, marine or airman makes a commitment to serve his country for four to six years, what is the country's commitment to him?

NMFA suggests that the following initiatives could provide additional sources of income for the military family at relatively little expense to the government.

SPOUSAL EMPLOYMENT

Approximately 60% of military spouses are in the work force. Although earning less than their civilian peers, those wives with children under the age of six contribute more to the family income. They also have three times the unemployment rate of their civilian counterparts and are substantially underemployed. Expanded referral networks to assist the Family Support Center Employment Counselor and a telephone Job Bank such as the pilot program in Hampton Roads, Virginia, could markedly increase spousal employment. Skill enhancement courses at Family Support Centers and short term skill enhancing volunteer jobs with the Department of Defense (DOD) and its agencies could increase the spouse's future earning power. Courses in portable careers and enhanced opportunities for home based businesses on military installations could increase the spouses' chance for employment wherever the family is stationed.

Affordable, dependable child care is a must for dual working couples. DOD states that a minimum of 80,000 additional child care spaces are needed now. NMFA suggests subsidizing child care off-post. Several child care spaces in the civilian community could be "paid for" by DOD, and military families would cost share up to the level of fees at post Child Development Centers.

VOLUNTEERS

Most military installations would suffer a severe blow to quality of life programs without volunteers. Drop-in child care is also a necessity for volunteers. NMFA suggests that drop-in child care spaces should be a vital part of military child care programs.

COMMISSARY

Commissaries offer an extremely cost effective benefit to military families. However, the majority of them have operating hours that make utilizing them difficult, if not impossible for working families. NMFA suggests local surveys of all eligible patrons of commissaries to ascertain hours of operation that would fit their needs. Then, meet those neds.

HEALTH CARE

Health care is often cited as the most important benefit of military life. Studies show that preventive health care is extremely cost effective, particularly for a population that continues to receive its care through the same system for several years. NMFA suggests expanding the hours of primary care clinics to enable young working families access to this important benefit. NMFA also suggests preventive health care and wellness programs be made available to ALL eligible beneficiaries. NMFA suggests careful consideration of all current DOD health care demonstration projects.

Unfortunately, these initiatives do not address the basic need for stability in military compensation and the lives of military families.

DOD is proposing several new initiatives for FY90 to include extending the Overseas Student Travel benefit to Alaska and Hawaii and payment for the storage of cars when service members are assigned to certain areas of the Pacific. These are long overdue benefits. However, NMFA believes the stability factor must be addressed first.

Benefits that are inaccessible, unaffordable and undependable are not benefits. Pay rates below inflation and inadequate housing allowances are not competitive compensation. Newspaper headlines threatening a reduction in the number of dependents overseas immediately translate into more family separations. Military families are familiar with family separations. They understand that the defense of the country always come first. They understand mission related separations. They do not understand arbitrary budget decisions that will forcibly separate them.

Military family members are aware of the budget deficit. They are Americans, they are voters, they are taxpayers. They are volunteers who are willing to serve their country. But above all, they are people. They must have faith that those who make the decisions affecting their lives do care about them as people and do not view them just as pawns with which to balance the budget.

TUESDAY, APRIL 25, 1989.

THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.

WITNESS

PAUL L. HAZEN, CHAIRMAN, DEFENSE RESEARCH AND DEVELOPMENT COMMITTEE, INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, INC.

INTRODUCTION

Mr. MURTHA. Our next witness is Mr. Paul Hazen of the Institute of Electrical and Electronics Engineers. Mr. Hazen?

STATEMENT OF MR. HAZEN

Mr. HAZEN. Mr. Chairman, members of the committee, I appear before you today as Chairman of the Defense Research and Development Committee of the Institute of Electrical and Electronics Engineers.

The IEEE is the world's largest technical professional society, with nearly 240,000 members in the United States.

You have our full testimony for the record, so I am not going to go through it all. Instead, I would like to concentrate on the highlights with reference to two points.

MAINTAINING THE TECHNOLOGY BASE

First, our views on the vital importance of maintaining our technology base.

Second, I would like to present some proposed initiatives to strengthen the domestic defense technology.

It is our considered view that near- and long-term R&D are crucial both to defense and to the Nation's technological leadership and industrial competitiveness.

Technology base programs which represented almost 13 percent of RDT&E in 1980 have seen their funding reduced down to eight percent of the total for fiscal year 1990.

Both research and exploratory development fell, the latter dropping 6.3 percent from fiscal year 1989 down to $2.36 billion.

Support for the nation's domestic defense technology base cannot continue to erode without seeing an increasing and eventually debilitating dependence on foreign sources for critical electronics technology.

Mr. Chairman, we have all seen many studies and analyses that paint a dismal picture of the United States industrial competitiveness.

The specific points, and the degree of emphasis, vary depending on the writers, but several points keep reappearing:

One, the United States has lost its edge in most consumer product areas and that, as in semiconductors, has a direct impact on defense.

Two, the United States is losing its lead in basic research.

Three, the universities are failing to produce good B.S. and M.S. level graduates to support industry.

Four, the universities are not producing enough Ph.D. graduates of U.S. citizenship.

As complex as these problems are, we in the IEEE believe that they can and must be solved.

They can be solved by being addressed at three levels simultaneously: at the technology level, at the people level, and through a concentrated synergistic national thrust.

The IEEE Defense R&D Committee perceives an urgent need to stimulate and strengthen university/industry/DOD cooperative activity in order to:

One, enhance the effectiveness and relevance of technological education;

Two, to help improve the competitiveness of U.S. industry; and

Three, to ensure that U.S. defense is second to none.

We have a specific proposal with far-reaching potential and high leverage at the "people" level.

The Department of Defense and its agencies must employ significant numbers of engineers with levels of expertise well beyond those typical of four-year degree graduates. Graduate engineering education presents a situation of special concern. More than 50 percent of full-time graduate students at many excellent schools are non-citizens, which makes it unrealistic for them to enter national security work.

NATIONAL DEFENSE SCHOLARSHIP

Our specific proposal is to urgently set up a national defense scholarship in engineering program.

The program would provide incentives, promoted at the national level, to aid and encourage highly qualified U.S. engineers with experience in national defense R&D to pursue graduate engineering study with full-time vigor.

The economics of such a program are very compelling. There are fewer than 2,000 engineering doctorates awarded each year in the United States. Adding, say, 500 more would not seriously tax the resources of university faculties. Including administrative and other costs along with a stipend, the cost of an adequately remunerated scholarship should not exceed $40,000 annually, or $120,000 for a typical three-year Ph.D. program.

Mr. **Murtha**. If I could stop you at that point, because I want to ask a a couple of questions.

We are trying to keep people to five minutes and I appreciate you taking the time to come before the committee.

In the engineering figures that you gave, you talked about citizens of the United States that graduated from engineering schools, or were you talking about all engineering graduates?

The reason I ask that question, I talked to a graduating class at Penn State last spring and I remember them telling me half the graduates were foreign students.

So when you say engineers, are you talking about United States citizens or does that include all the graduates in the United States in engineering?

Mr. **Hazen**. I am not sure I understand the distinction—in engineering?

Mr. **Murtha**. Are you talking about United States citizens graduating from the schools?

Mr. **Hazen**. That is right, and as far as the graduate studies, like Ph.D.s, more than half actually leave the country.

Mr. **Murtha**. We have a real problem with the pure research that you are advocating because we think we have a responsibility as a Government to put money into that.

We think that is a very important, productive area and we are struggling with trying to come up with money to do that.

In the budget, as it has been every time, they want money; they are taking it from defense this year and pure research is pretty much 100 percent outlays so we are going to have a difficult time getting money into that area.

We will continue to struggle with it and appreciate you taking the time to bring it to our attention.

Mr. **Murtha**. Mr. McDade?

Mr. **McDade**. No questions.

Mr. **Murtha**. Mr. Miller?

Mr. **Miller**. No questions.

[The statement of Mr. Hazen follows:]

IEEE UNITED STATES ACTIVITIES
Promoting Career and Technology Policy Interests of Electrical, Electronics & Computer Engineers

United States Activities Board

Technology Activities Council
Aerospace R&D
Committee on Communications &
  Information Policy
Committee on Man & Radiation
Defense R&D
Energy
Engineering R&D
Health Care Engineering Policy
Technology Issues
U.S. Competitiveness

Government Activities Council
Congressional Fellows
Legislative Report
National Government Activities
State Government Activities
Technology Policy Conference
Technology Transfer
Washington Internship for
  Students of Engineering

Member Activities Council
Awards & Recognition
Communications
Continuing Engineering Education
Employment Assistance
IMPACT
Opinion Survey
Precollege Education
Professional Perspective
Salary Survey

Professional Activities Council
  for Engineers (PACE)
PACE Regional & Divisional Activities
PACE Information/Workshop
Student Professional Awareness

Career Activities Council
Age Discrimination
Career Maintenance & Development
Ethics
Intellectual Property
Licensure & Registration
Manpower
Pensions
Women & Minorities

IEEE-USA Office
(202) 785-0017

"Information Line" Recording
(202) 785-2180

Facsimile/Telecopier
(202) 785-0835

STATEMENT OF

MR. PAUL L. HAZAN

ON BEHALF OF THE

DEFENSE RESEARCH AND DEVELOPMENT COMMITTEE

OF THE

INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS/

UNITED STATES ACTIVITIES

BEFORE THE HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

APRIL 25, 1989

IEEE-USA, 1111 - 19th Street, N.W. Suite 608, Washington, DC 20036-3690
The Institute of Electrical and Electronics Engineers, Inc.

STATEMENT OF
MR. PAUL L. HAZAN
ON BEHALF OF THE
DEFENSE RESEARCH AND DEVELOPMENT COMMITTEE
OF THE
INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS/
UNITED STATES ACTIVITIES
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
APRIL 25, 1989

EXECUTIVE SUMMARY

- The Defense Department, through its Technology Base Programs, can be instrumental in promoting industrial, academic and government laboratory collaboration in support of meeting defense mission needs.

- The proportion of total Defense Department RDT&E funding directed toward Technology Base Programs has significantly declined in the past decade and needs to be increased substantially.

- The effectiveness of the Defense Department's Independent Research and Development reimbursement program could be further improved by switching to a two-year review and negotiation cycle.

- A number of new initiatives to strengthen the domestic defense technology base, such as National Defense Scholarships and support for advanced electronics devices, could be undertaken if such support were provided.

- Earmarking of funds to colleges and universities can be controlled without adversely affecting smaller colleges and/or the flexibility needed by the Department of Defense to cost-effectively obtain the services it needs. A simple amendment to Section 220 is required to achieve these objectives.

STATEMENT OF
MR. PAUL L. HAZAN
ON BEHALF OF THE
DEFENSE RESEARCH AND DEVELOPMENT COMMITTEE
OF THE
INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS/
UNITED STATES ACTIVITIES
BEFORE THE HOUSE APPROPRIATIONS COMMITTEE
SUBCOMMITTEE ON DEFENSE
APRIL 25, 1989

Mr. Chairman, Members of the Subcommittee, my name is Mr. Paul Hazan, and I appear before you today as Chairman of the Defense Research and Development Committee of the Institute of Electrical and Electronics Engineers-United States Activities (IEEE-USA). The IEEE is the world's largest technical professional society, with nearly 240,000 members in the United States alone. The Defense Research and Development Committee was formed to develop and voice the IEEE-USA's views on the research and development programs and policies of the Department of Defense. In my testimony today, I would like to detail our support for the following convictions:

- o That the Defense Department, through its Technology Base Programs, can be instrumental in promoting industrial, academic and government laboratory collaboration in support of meeting defense mission needs.
- o That the proportion of total Defense Department RDT&E funding directed toward Technology Base Programs has significantly declined in the past decade and needs to be increased substantially.
- o That the effectiveness of the Defense Department's Independent Research and Development reimbursement program could be further improved by switching to a two-year review and negotiation cycle.
- o That a number of new initiatives to strengthen the domestic defense technology base, such as National Defense Scholarships and support for advanced electronics devices, could be undertaken if such support were provided.
- o That earmarking of funds to colleges and universities can be controlled without adversely affecting smaller colleges and/or the flexibility needed by the Department of Defense to cost-effectively obtain the services it needs. A simple amendment to Section 220 is required to achieve these objectives.

DEPARTMENT OF DEFENSE TECHNOLOGY BASE PROGRAMS

In his budget released on January 9, 1989, President Reagan proposed a two percent real growth in Department of Defense spending. Total Defense spending for Research, Development Test and Evaluation (RDT&E) was to increase more than 9 percent to $41 billion. Technology Base Programs, however, the component of total RDT&E traditionally devoted to research and development activity, was slated for a 5.3 percent reduction from FY '89 to just under $3.3 billion. President Bush, in his budget statement to the Congress of February 9, 1989, called for a reduction of general defense spending by 2 percent to allow a constant spending level when inflation is taken into account. Historically, across the board spending reductions have tended to impact the Technology Base Programs no less than other program areas, regardless of their more limited proposed increase.

As we have noted in previous testimonies before this Subcommittee, Technology Base Programs have represented a diminishing portion of total RDT&E since at least 1980. In 1980, Technology Base Programs represented almost 13 percent of total RDT&E funding. In 1989, Technology Base Programs represented 9.3 percent of total RDT&E. For FY '90, the percentage to be devoted to Technology Base Programs will fall to 8 percent of the total. Of this amount, $930 million is devoted for research, a reduction of 2.7 percent from FY '89 numbers. Exploratory development would fall 6.3 percent from FY '89 to $2.36 billion.

Support for the nation's domestic defense technology base cannot continue to erode without a corresponding increase in dependence on foreign sources for critical electronics technology. In the context of other competing priorities, we cannot tell you what level of funding the Defense Technology Base Programs should receive, but we would now like to provide you with some sense of the programs that could be undertaken with additional support.

In 1987, IEEE Congressional Testimony included a discussion of the IEEE Defense R&D Committee's perspective that IR&D activities were the seed corn of our future technology crop, and this should receive increased support in a number of ways:

- The current review process should view long and short-term IR&D separately to ensure adequate funding for long-term R&D;
- The current method of IR&D review should be changed to at least a two year cycle;
- The need for a review process should be reviewed with an eye toward minimizing the cost and manpower requirements of any review process--both to industry and the government;

During 1988, we have been encouraged by the similar position taken by the Defense Policy Advisory Council on Trade (DPACT) Joint DoD/Industry IR&D Working Group. Their report generally coincides with the IEEE Defense R&D Committee's views, and we recommend its speedy adoption. We additionally recommend reviewing long and short-term R&D activities separately. Long-term R&D involves activities that are not in the System Acquisition process, and is the R&D needed for continuing our future technological growth and maintaining the future competitive position of the United States in the world marketplace.

It is of particular importance to ensure the maintenance of adequate long-term R&D in an era of level or declining defense budgets. It is all too easy for the government and industry to focus their attention on immediate needs for improvements to current defense systems and for short-term new defense procurements, to the detriment of our future technology base. It is our future technology base that will provide our defense systems of the future and preserve our technological leadership in the world.

It should also be noted that joint industry/university military research initiatives are generally supported out of the long-term IR&D; thus enhanced support for long-term IR&D should result in increased research funding from industry to universities. The government must provide the proper incentives to ensure that industry and the government laboratories provide the proper focus on and preserve adequate funding for long term IR&D activities. Addressing long and short-term IR&D separately in the IR&D review process is a good first step in that direction.

DEPARTMENT OF DEFENSE AS A SUPPORTER OF INDUSTRIAL/UNIVERSITY COLLABORATION

Introduction: Many journals, representing a wide variety of perspectives, have published articles that paint a dismal picture of U.S. industrial competitiveness, and discuss some particular viewpoint to explain why the U.S. is failing in a number of critical areas. The specific points, and the degree of emphasis, vary depending upon the writers, but several points keep reappearing:

- The U.S. has lost its edge in most consumer product areas;
- The U.S. is losing its lead in basic research;
- Universities are failing to produce good B.S. and M.S. level graduates to support industry;
- Universities are not producing enough Ph.D. graduates of U.S. citizenship.

Motivation: The members of the IEEE-USA Defense R&D Committee perceive an urgent need to stimulate and strengthen university/industry/DoD cooperative activity to enhance the effectiveness and relevance of technological education, to help improve the competitiveness of US industry, and to ensure that U.S. defense is second to none.

The destinies of the U.S. university, industry, and defense communities are closely intertwined. It is becoming increasingly evident that greater interaction and synergism between academia and industry (with DoD and other government stimuli and incentives where appropriate) will be key to the healthy growth of these vital sectors and to the economic, industrial, and military future of this country.

There is a need to increase incentives for and recognition of exchange programs between universities, industry, and national laboratories, including DoD inhouse laboratories.

In order to enhance the relevance and usefulness of technological education, it is necessary to expose faculty members to the newest high-technology equipment and practices used by industry and DoD laboratories. Experience gained by faculty on sabbatical or in cooperative programs with industry provide the means by which the latest industrial techniques and practices can be conveyed to students. Experience gained by one faculty member can be transferred to many students, thereby providing maximum leverage to this technology transfer. One way to accomplish this is to increase incentives for, and recognition of, exchange programs between universities, industry, and national laboratories.

Active measures and incentives are needed to stimulate industry/academic joint participation in R&D and advanced technology projects. It is suggested that appropriate DoD contracts to industry encourage university participation. (Analogous to small business stipulation in some government contracts.)

There is a need for and much benefit to be derived from synergizing university/industry talents and stimulating them to collaborate productively through industry consortia (single company/multiple universities) and university consortia (single university/multiple companies).

Potential advantages of industry/university collaboration include: a high degree of "leverage" of the funds contributed, a first look at graduates of the program for recruiting, and the opportunities for internships, fellowships, or other means for university personnel to spend extended periods of time at industrial sites and government laboratories.

Consortia such as the NSF Engineering Research Centers are good examples of how this collaboration can be stimulated. DoD in-house and university laboratories can play a key role in assisting this process to meet the special needs of the Department of Defense.

It is urged that DoD support be increased to stimulate and facilitate this vital industry/university interaction.

The quality of technological education and of our engineering graduates are destined to have a critical impact on the industrial competitiveness and on the future economic health and defense of the nation. The rapidly changing and highly competitive nature of today's international environment make it urgent to develop more effective collaboration between industry and the academic community, if this country is to fulfill its technological destiny. The broad range of policy issues and recommendations presented here indicate the complex spectrum of problems which need to be addressed. The DoD can play an important and vital role in providing necessary incentives and stimuli.

A PROPOSAL FOR NATIONAL DEFENSE SCHOLARSHIPS IN ENGINEERING

Background: Technological complexity is increasing. The technological complexity of modern equipment used for national security is great. It is designed and constructed almost exclusively by engineers working in U.S. industry, since Army arsenals and Naval shipyards faded away after World War II. To be a "smart buyer," the Department of Defense and its agencies must also employ significant numbers of engineers with levels of expertise well beyond those typical of four-year-degree graduates.

U.S. engineering graduates are decreasing in numbers. U.S. engineering education no longer attracts quite as many young people as it did during earlier decades when it was a favorite path for upward socioeconomic mobility of many young people.

U.S. graduate engineering education is increasingly populated by foreign students. In graduate engineering education the situation is of even greater concern. Full-time graduate students at many excellent schools are mostly foreign-born, including a major fraction of noncitizens. Many of these are from origins, such as Iran or the People's Republic of China, which make it unrealistic for them to enter national security work.

A Proposal: Our proposal addresses one part of this deepening problem of U.S. advanced engineering education, a part which is probably the most critical and has the most cost-effective solutions. We propose to provide incentives, promoted at the national level, to aid and encourage highly qualified U.S. engineers with experience in national defense R&D to pursue graduate engineering study with full-time vigor.

Economics of the problem: The economics of this are, at least on first examination, very compelling. There are fewer than 2,000 engineering doctorates awarded each year in the U.S. Adding, say, 500 more would not seriously tax the resources of faculties. If dissertation work could be carried out in part in the industrial setting, so much the better. Including administrative and other costs along with a stipend, the cost of an adequately remunerated scholarship should not exceed $40,000 annually, or $120,000 for a typical 3-year Ph.D. program. An annual throughput of 500 doctoral graduates represents, on this basis, a cost of approximately $60,000,000, which in comparison with existing defense expenditures would provide an excellent human resource investment with major leverage potential both for the DoD and for the national industrial base.

Participants: This committee is especially interested in students who would move into (or in some cases, continue in) defense R&D work. These should be U.S. citizens, or those applicants for naturalization who would not be constrained in their performance of classified national defense R&D. Many full-time graduate students are not plausible candidates for jobs in the defense sector, and really should not expect financial support from that area.

It would be highly desirable to define each scholarship grant or related financial benefit to have three participants: (1) the recipient, (2) an academic sponsor, and (3) an industry sponsor. Where the recipient was a prior employee of the sponsor, an alternative set of rules might be applicable. A DoD laboratory or other R&D activity might be an alternative to an industrial sponsor, or might play a complementary role.

Objectives: The primary objective of the proposed program of scholarships and other incentives is to maintain U.S. technical competence in defense R&D. It should also serve as a means to bring engineering academics closer to the users of their product and better coupled to their future needs.

A valuable benefit of the program as a whole would be to make underutilized but unique or costly technological resources of industry or government organizations more available for academic student and faculty research. This could reduce the pressures on universities to provide resources of types available nearby and permit them to devote funds to items not available elsewhere.

SEMATECH and the Semiconductor Research Consortium (SRC) are typical industry/academic engineering research models at this time, but other successful models will undoubtedly evolve. However accomplished, what we believe is most important is that the U.S. develop national objectives for an advanced engineering education program and take the steps necessary to see that it happens. The government and the DoD in particular, have a crucial role to play in providing the necessary incentives to initiate and accelerate the process.

SECTION 220 OF PUBLIC LAW 100-456 RE COLLEGES AND UNIVERSITIES

Section 220 of the FY 1989 DoD Authorization Act was intended to make it more difficult for Congress to earmark certain types of research and development and facility construction funds for specific colleges and universities. This is understandable. However, the language in Section 220 is so sweeping that it effectively negates the Competition in Contracting Act (CICA) so carefully crafted by Congress.

If the language of Section 220 were allowed to stand as is, it would unfairly single out colleges and universities, denying them alone the ability to receive awards under certain limited conditions, while private corporations, other nonprofit entities, and Federally Funded Research and Development Centers (FFRDCs) would continue to be eligible to receive sole source awards under the CICA exceptions.

The specific exceptions to the use of competitive procedures, as set forth in the Competition In Contracting Act, were carefully considered by the Congress as that law was written. There was no criticism of the basic structure of CICA by the Senate Armed Services Committee in the course of the consideration of Section 220.

We believe that the sweeping application of Section 220 would severely hurt the smaller colleges and also adversely constrain the Department of Defense in its efforts to cost-effectively obtain the critical services that national security may require.

It is, therefore, urged that the CICA exceptions be allowed to stand and that Section 220 be amended to address only the (c) (5) exception (Section 2304 of Title 10, United States Code), i.e., the specific paragraph that deals with the statutory selection of a specified contractor (including colleges and universities). This would help meet the intent of Congress to control earmarking cost-effectively obtain the services it needs.

This concludes my prepared statement for today. Thank you again for the opportunity to appear before you today. I will be happy to answer any questions you may have.

TUESDAY, APRIL 25, 1989.

AMERICAN INSTITUTE OF AERONAUTICS AND ASTRONAUTICS

WITNESS

CORT DUROCHER, EXECUTIVE DIRECTOR, AMERICAN INSTITUTE OF AERONAUTICS AND ASTRONAUTICS

INTRODUCTION

Mr. MURTHA. The next witness is Mr. Cort Durocher, of the American Institute of Aeronautics and Astronautics. Mr. Durocher?

STATEMENT OF MR. DUROCHER

Mr. DUROCHER. Mr. Chairman, thank you for the opportunity to represent the 43,000 members, engineers and scientists of the American Institute of Aeronautics and Astronautics.

We need to continuously invest in the research and development to remain competitive in the world market.

TECHNOLOGY BASE FUNDING

We, the Institute, support a three percent real growth in the technology base funding until it reaches 15 percent of RDT&E, or two percent of the DOD budget. In times past, this number has risen to 24 percent, so we feel that 15 percent is a reasonable alternative. Therefore, we recommend fiscal year 1990 funding of $3.7 billion for a combined research and exploratory development; 6.1 and 6.2, which is $420 million, over the Administration's request.

These funds gave us the technological lead in the commercial aircraft industry, an industry we are very quickly losing our market share in to the Europeans.

NATIONAL AREOSPACE PLANE TECHNOLOGY

We also support the NASP technology maturation program to round out technical options for future civilian and military aircraft.

The Japanese right now are hot on the trail of the propulsion technology that is going into the NASP program.

An alert colleague of mine from the Soviet Academy of Sciences has reacted on our program to build but one size NASP demonstrator. Clearly, they have more exotic plans.

TILT-ROTOR TECHNOLOGY

We support the military tilt-rotor program and the spinoffs to commercial aviation. Airports will not accommodate future air travel. If we don't provide the tilt-rotor technology of the future, the Europeans will. They have formed a consortium to pull together a commercial tilt rotor.

Mr. Chairman, I would be willing to answer any questions you may have.

Mr. **Murtha**. By tilt rotor, you mean what we call the V-22?

Mr. **Durocher**. Yes, sir.

Mr. **Murtha**. This committee has continually supported the NASP airplane. I personally think it is an extremely worthwhile project, but the military is concerned it doesn't have immediate military application.

I also wrote a letter to the Secretary of Defense concerning what the Japanese are doing with the FSX airplane and that potential consortium there.

Having said all that, it is going to be very difficult this year to find the money for these programs.

These projects are absolutely important in keeping our advantage in technology in the United States.

I agree with you, and we will struggle in the committee trying to see if we can come up with funds for these programs.

Mr. McDade?

Mr. **McDade**. No questions.

Thank you for your testimony.

Mr. **Murtha**. Mr. Miller?

Mr. **Miller**. No questions.

Mr. **Murtha**. Thank you very much.

[The statement of Mr. Durocher follows:]

AIAA
American Institute of Aeronautics and Astronautics

STATEMENT TO

SUBCOMMITTEE ON DEFENSE
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

BY

CORT DUROCHER
EXECUTIVE DIRECTOR
AMERICAN INSTITUTE OF AERONAUTICS AND ASTRONAUTICS

APRIL 25, 1989

370 L'Enfant Promenade, S.W. ■ Washington, D.C. 20024-2518 ■ Phone: (202) 646-7400 ■ FAX: (202) 646-7508

Mr. Chairman, on behalf of the American Institute of Aeronautics and Astronautics (AIAA), we thank you for the opportunity to appear today.

The American Institute of Aeronautics and Astronautics (AIAA) is a nonprofit professional society dedicated to advancing the arts, sciences, and technology of aeronautics and astronautics and to promoting the professionalism of those engaged in these pursuits. We have a membership of over 43,000 drawn from all levels of American industry, academia, private research organizations, and government as well as from numerous nations abroad.

OVERVIEW

U.S. technological competitiveness is a topic of major concern to defense and civil policy-makers. Nonetheless, as the AIAA has testified previously, protectionism is not the way to maintain technological leadership. A technological lead can be a fragile commodity. If you don't continue to invest in technology, you will diminish the future competitiveness of your products and services. Currently, the U.S. is the world leader in the production of commercial aircraft. That leadership reflects the investments we have made in the technological base which supports these products. Historically we have been a leader in R&D investment as a percentage of Gross National Product (GNP). Other nations, however, now understand the leverage that such spending provides and have increased their funding of R&D as a percent of GNP.

Our primary concern is the current decay in the defense technology base, whose funding has decreased over the last 20 years. A strong technology base is critical to our future ability to field effective weapons systems. We realize that these are fiscally difficult times, and that many national priorities are being squeezed because of the need to reduce the federal deficit. But although the technology base is an investment whose returns will not be visible until some time in the future, as with any investment we must, as a matter of faith and discipline, continue to fund the technology base adequately even in these difficult times. Last year we urged a level of $3.45 billion (about 9.3 percent of the RDT&E budget), and we were gratified to see its realization. We feel it is important to continue on the path we recommended; that is, 3% real annual growth until the level of tech base funding is at least 15 percent of RDT&E, or 2 percent of the DOD budget. We therefore recommend FY90 funding of $3.7 billion for the combined research and exploratory development (6.1 and 6.2) categories (assuming a 4 percent rate of inflation for FY 1990).

The Administration's request of $3.29 billion is totally inadequate for the job, being $420 million below our recommended budget level. Of course we have no idea at this time whether additional defense budget cuts agreed to by President Bush will impact the Technology Base budget.

IMPORTANCE OF TECHNOLOGY

It is universally accepted that technology has played an important role in defense matters since before World War II. Radar gave the English the edge in the Battle of Britain, and sonar helped defeat the submarine wolfpacks. In more recent times, "smart bombs" and similar weapons gave us the force multipliers needed to counter massive Soviet conventional-force buildups. Unfortunately, however, it is hard to forecast exactly how and where new technologies will eventually be applied. In a society that values cost effectiveness and maximizes gain, the process of broad technology base development may seem inefficient, but the contributions technology has made both to the U.S. defense effort and to society at large have demonstrated the value of that process. For the past 40 years, the U.S. has led the world in technology, both civil and defense. This effort has contributed to the assurance of a balance of power that has kept peace among the great powers for an unprecedented period of time. Moreover, the importance of technology will not diminish in the future; it will grow.

Technology made a dream of the forties, the Stealth bomber, a reality of the eighties. Technology is crucial to realizing the dream of creating a defense against ballistic missiles. Technology provides a rich menu of defense options. Indeed, technology is all-pervasive whether used directly in weapons systems or to support our defense strategy and policy.

TECHNOLOGY BASE FUNDING

According to the Defense Science Board's 1988 summer study on the Defense Industrial and Technology Base, the money spent on the Defense Technology Base has decreased in constant dollars since the early 1960s. At the same time, the GNP has increased by two and a half times (see Figure 1). Although total spending for the broadest category of defense R&D has been increasing steadily since 1980, the percentage devoted to the tech base has been declining steadily (see Figure 2). In the FY89 budget, the percentage devoted to the tech base was 9.3 percent, and in the FY90 budget it is 8.0 percent. As Figure 2 indicates, in 1965 it had been almost 25 percent. It is our position that the tech base funding must increase until it returns to at least 15 percent of RDT&E, and we recommend that it achieve this goal by a 3 percent real growth per year.

A recent forecast by the Electronics Industries Association projects that the RDT&E portion of the defense budget will decline by about $6 billion (constant 1989 dollars) over the next ten years. The AIAA is concerned that these projected reductions in the defense RDT&E budget will further erode technology-base funding and postpone essential investments in the technologies required for future weapon systems. This concern is exacerbated by the likelihood that budget cuts will constrain the fielding of new weapons systems.

We therefore propose the following actions:

o Protect the future of our technology base by protecting the 6.1 and 6.2 categories of funding, which allow for technical innovation without strict military application.

o The Department of Defense should introduce new management approaches to enhance cross-service sharing of technology development, thereby reducing redundancy among the numerous government laboratories and fostering synergism.

o The Department of Defense should reverse the growing trend of U.S. dependence on foreign sources for defense technology. Such a plan should also find and implement methods to attract U.S. citizens back into graduate-level science and engineering degree programs and to counter the possible loss of our nation's capability to undertake leading-edge scientific development.

In aircraft propulsion, the DOD's technology investment over the past twenty-five years has maintained the U.S. industry's technical level above that of the rest of the world. The government's investments in technology, along with funds made available through the Independent Research and Development (IR&D) program and investment by the industry itself, have kept this industry technically superior to all competitors, friendly and otherwise. Moreover, this lead has generated a strongly favorable balance of trade in this segment of the market; any reduction in our leadership position will erode that favorable balance. The DOD's portion of the investment is very important. Using the aircraft gas turbine business as a model to increase the science and technology base in other areas might serve to augment the U.S.'s lead in those areas. Also, we must not fail to continue our investments in aircraft gas turbine technology; if we do not keep running, the rest of the world will pass us by.

In the context of 6.1 and 6.2 expenditures, the AIAA supports new DOD initiatives such as "R&M 2000" and TQM (Total Quality Management). TQM and R&M 2000 principles will result in both lower costs and greater productivity and quality in our defense products across the board, from design inception to manufacture to operation in the field. We therefore suggest that 6.1 and 6.2 funds be provided to assure that these concepts become an integral part of the early phases of new weapon systems design.

NATIONAL AEROSPACE PLANE (NASP)

We have repeatedly stressed that a key element of the nation's defense lies in its advanced technology. The National Aerospace Plane Program (NASP) is an essential next step for future space operations. It will demonstrate aviation and space technologies that will be needed at the turn of the century. Under the NASP umbrella, the nation has embarked on an enterprise that involves some 5,000 technical personnel. Critical and supporting technologies have been managed by Air Force and NASA labs, and the NASP Joint Project Office has formed an unprecedented consortium of industry, government and academia to conduct research on high-temperature materials and share the fruits of that research. The scope of technology development under the NASP is comparable to that of the Apollo program; its technology base will contribute to the needs of both future space vehicles and high-speed aircraft, civil and military. The NASP focused-technology development effort is precisely the foundation that is needed at this stage. Strong congressional support is warranted.

INDEPENDENT RESEARCH AND DEVELOPMENT (IR&D)

Independent Research & Development (IR&D) carried out by industry has been widely recognized as a valuable source of innovative ideas and makes a major contribution to the national technical capability. A specific example in our field was cited in testimony last year before the Senate Armed Service Committee. While the DOD was funding the development of composite jet engine turbine blades, General Electric and Pratt & Whitney developed on their own the superior single crystal turbine blade that is now used in the most advanced jet engines.

In recent years studies have indicated that IR&D expenditures were declining, and a Defense Science Board panel (December 1987) has stated that the problems with IR&D were reaching "crisis proportions."

Last year the Congress took a big step toward alleviating these problems by removing the cap on IR&D expenditures. The Defense Department endorsed this position and has shown significant support for IR&D expenditures despite strong budgetary pressures. Discussions are still continuing between the DOD and Industry on plans to streamline the management of IR&D, and we hope that these will result in a satisfactory resolution of the remaining problems.

As an engineering society we strongly believe IR&D is essential to maintaining the nation's technical capability for national defense, and we urge your continued support for the program.

CONCLUSION

The Defense Subcommittee of the AIAA Public Policy Committee wishes to express its appreciation for this opportunity to present our views. We understand the complex and complicated nature of the issues you must deal with and the interests that the democratic process requires you to balance. But it is precisely times like these that require vision and commitment. We urge you to commit yourselves to a strong defense technology base by appropriating a Fiscal Year 1990 budget of $3.7 billion for the critical 6.1 and 6.2 categories. In addition, we urge strong support for the National Aerospace Plane program and for recent government actions to strengthen Independent Research & Development (IR&D).

TRENDS IN FUNDING FOR RESEARCH (BASIC AND APPLIED) COMPARED TO THAT FOR GNP, 1955-1987. Solid curve and left-hand scale show GNP trend. Remaining curves and right-hand scale show trends for research funding: (1) total US (federal and private sectors); (2) total federal; and (3) DOD.

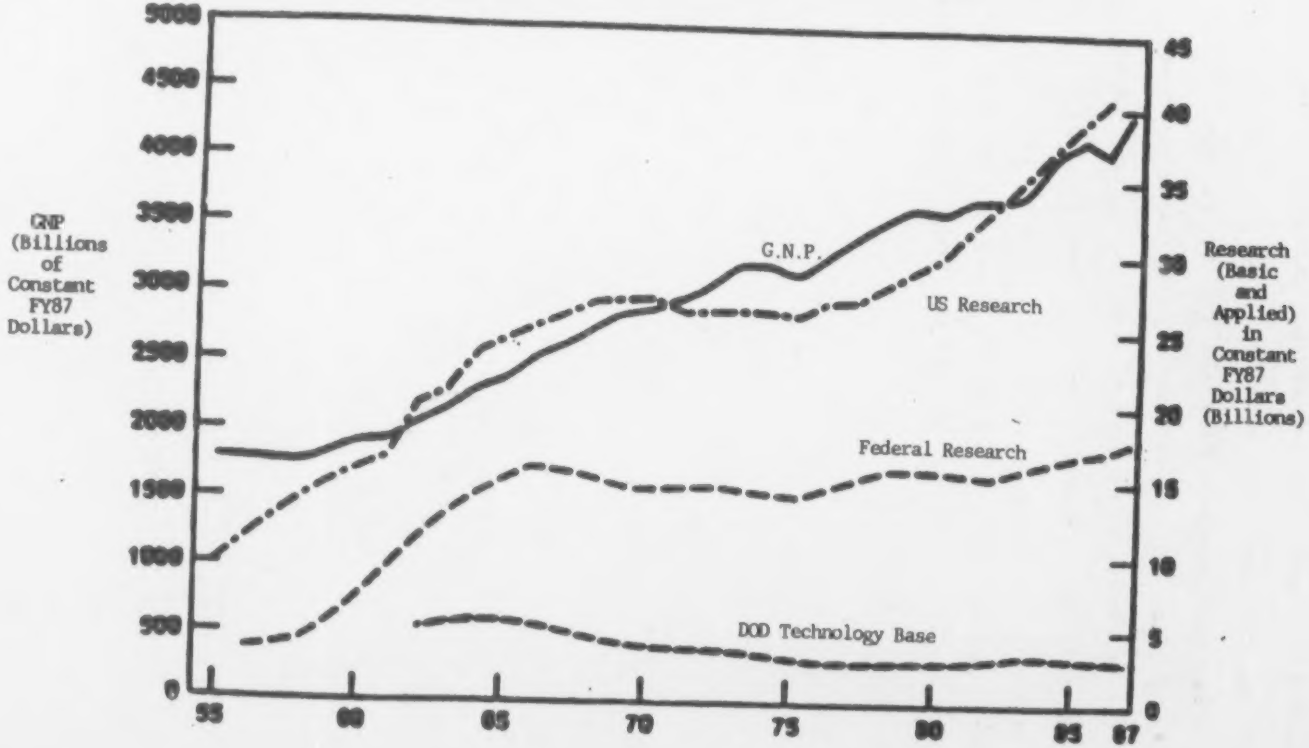


FIGURE 1

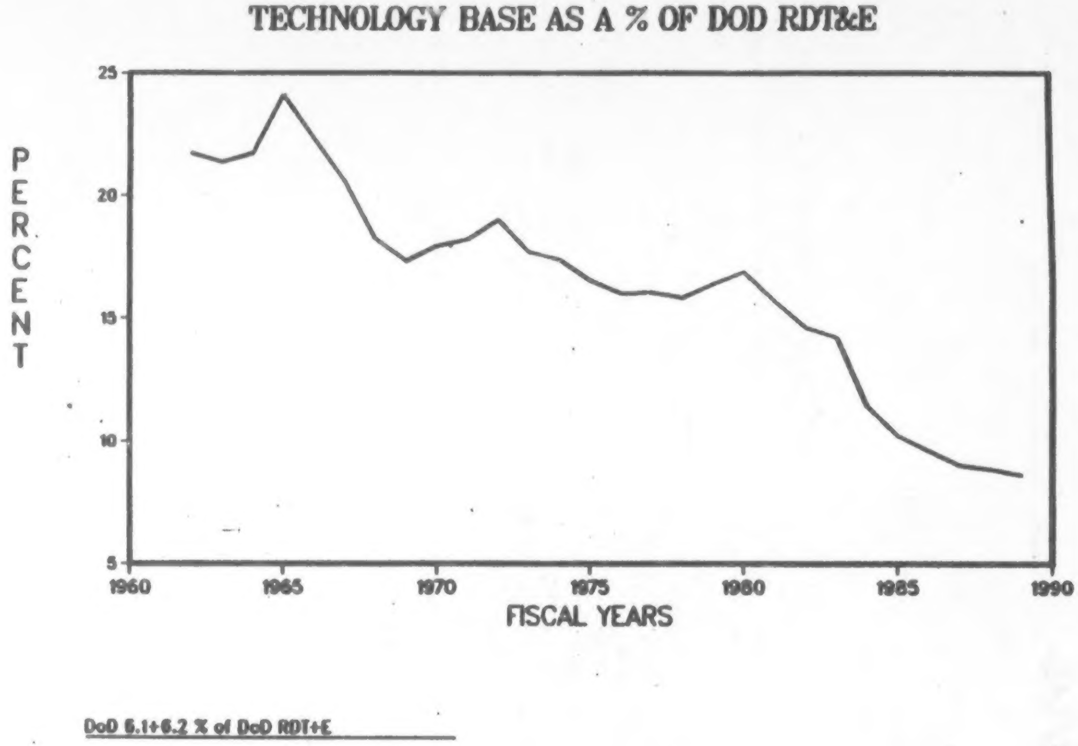


FIGURE 2

(Source: Dept. of Defense)

AIAA
American Institute of Aeronautics and Astronautics

BIOGRAPHY

Cort Durocher
AIAA Executive Director

A 1968 graduate of the U.S. Air Force Academy, Cort Durocher served as combat pilot, operations officer, and flight instructor and was awarded 14 decorations including the Distinguished Flying Cross. In 1977, he earned an M.S. degree, with honors, in Astronautical Engineering from the Massachusetts Institute of Technology.

Durocher's other assignments include systems engineer and acquisition officer for the space shuttle program, chief for advanced space launch and control systems, and deputy director/ director of technology for the Advanced Launch System Program Office. Through the course of his government service, he has worked extensively with aerospace industry and with many federal agencies including DOD, NASA, FAA, and the Office of Technology Assessment. He has been deeply involved in the planning of U.S. space transportation strategy and policy. At Hughes Aircraft Co., Durocher was responsible for developing new space systems.

Durocher is an Associate Fellow of the AIAA, a member of Sigma Xi, The Order of Daedalians, the Air Force Association, and the MIT Club. He is the author of a number of technical papers dealing with both aeronautics and astronautics.

370 L'Enfant Promenade, S.W. ■ Washington, D.C. 20024-2518 ■ Phone: (202) 646-7400 ■ FAX: (202) 646-7508

Tuesday, April 25, 1989.

FEDERATION OF BEHAVIORAL, PSYCHOLOGICAL AND COGNITIVE SCIENCES

WITNESS

DAVID JOHNSON, EXECUTIVE DIRECTOR, FEDERATION OF BEHAVIORAL, PSYCHOLOGICAL AND COGNITIVE SCIENCES

Introduction

Mr. **Murtha**. The next witness is Mr. David Johnson with the Federation of Behavioral, Psychological and Cognitive Sciences. Mr. Johnson?

Statement of Mr. Johnson

Mr. **Johnson**. Mr. Chairman, members of the subcommittee, our organization, which represents scientists whose research interest is human behavior, regularly testifies before other Appropriations Subcommittees on matters related to research.

This is the first time we have sought to testify before this subcommittee and we have made the request with a sense of urgency.

BASIC BEHAVIORAL RESEARCH

We had always noted the fact that 65 percent of Federal research dollars is spent by the Defense Department. It seemed that the real need for our attention was on the non-military side until our own practicing scientists told us otherwise. They told us that it is becoming exceedingly difficult to obtain either grant contract support to carry out research on militarily relevant basic behavior research questions.

Whole fields of research that were brought into being largely because of military interests, research in such areas as leadership training, judgment and decisionmaking, group processes have been all but abandoned by the DOD.

Our researchers were correct when they said we have looked too much at the dollars and not enough at what the dollars are purchasing.

We soon discovered that the DOD practice of including research, development test and evaluation under a single function, function 6, masks what, in fact, is a 25-year decline in support for basic research in general and for basic behavioral research in particular. Over this time period, there has been a strong shift toward development testing and evaluation of weapon systems and a corresponding de-emphasis on research related to military personnel performance.

We think it is important for this subcommittee to take measures to reestablish a proper balance between basic research, including basic behavioral research and weapons development. It is important for two reasons.

First, the strong defense of this country is at least as dependent on top-quality human performance as it is on weapon performance.

The best weapon is useless if soldiers can't repair it or have great difficulty making it function properly or if they are not well trained in information evaluation and decision-making processes that tell them when a particular weapon should be used or a particular action undertaken.

Eighty-five percent of accidents involving military aircraft, for example, are caused by human error.

It is self-evident that we do not know as much as we need to know about obtaining the best human performance in environments where anything less than high performance is lethal.

Secondly, basically research needs renewed attention because it is the generator of innovation.

Unless there is healthy and sustained support for basic research, a point must be reached at which there will be little left that is new to develop.

Unfortunately, the process of scientific discovery is rarely instantaneous. It takes time and one advance builds on another.

True preparedness over time and across changing conditions cannot be sustained unless basic research has been supported all along.

BASIC RESEARCH FUNDING

How serious is the shift away from basic research support? In real terms, support by DOD has declined 47 percent over the past 25 years.

In constant dollars, it was $1.345 billion in 1965. The Bush request of $930 million is the constant dollar equivalent of $14 million.

During the same time period, the development testing and evaluation portion of the RDT&E budget went from $26.609 billion to $32.490 billion, a real growth in 1982 constant dollars of $5.881 billion.

The subcommittee must look carefully at the change in the ratio between basic research funding and hardware development funding.

In 1965, 5.05 percent of the RDT&E budget was devoted to basic research. Today, only 2.2 percent is devoted to that activity. Forty-five times more is spent on development now than is spent on basic research and the proportion of the basic research budget spent on improving human performance is a fraction of that 2 percent.

That, we maintain, is not a healthy ratio.

We urge the subcommittee this year to begin a process of reapportionment within DOD's function 6 to return the basic research budget to five percent of RDT&E.

Mr. **Murtha**. I appreciate what you are saying. We will take a look at the figures that you quote. They are surprising to me.

Mr. McDade?

Mr. **McDade**. No questions. Thank you, Mr. Chairman.

Mr. **Murtha**. Mr. Miller?

Mr. **Miller**. Thank you for the statement. Mr. Chairman, I have no questions.

[The statement of Mr. Johnson follows:]

BEHAVIORAL SCIENCE AND THE FY 1990 APPROPRIATION REQUEST FOR THE DEPARTMENT OF DEFENSE

Testimony prepared for the
Subcommittee on Defense
of the House Appropriations Committee
The Honorable John P. Murtha, Chairman

by
David Johnson, Ph.D.
Executive Director
Federation of Behavioral, Psychological and Cognitive Sciences
April 25, 1989

Mr. Chairman, members of the Subcommittee, my name is David Johnson. I am Executive Director of the Federation of Behavioral, Psychological and Cognitive Sciences, an organization of 15 scientific societies and 125 university departments and research centers. The Federation represents more than 20,000 behavioral scientists.

This is the first time we have sought to testify before the Defense Appropriations Subcommittee, although we regularly testify before several of the other subcommittees whose jurisdictions include funding for scientific research. We have asked for this opportunity out of a growing concern about what we perceive to be an imbalance in research funding within the Army, Navy and Air Force. Those of us who represent behavioral scientists were perhaps too complacent in recent years. Sixty-five percent of federal research, development, testing and evaluation dollars are spent by the Department of Defense. In FY 1990, that should amount to about $41.5 billion of the $67.3 billion the federal government is likely to spend in these areas. With a proportion like that, we frankly felt that our attention should be concentrated on the civilian side of research. But we looked simply at dollar figures, not at what those dollars were buying.

It took our own researchers in the field to tell us that we needed to look more closely at how the Defense Department is apportioning dollars between basic research on the one hand, and development, testing and evaluation on the other. That is, they told us we needed to look at how the DOD's 6.1 function was faring against the 6.2 through 6.6 functions. When RDT&E figures are given for DOD, what we normally see is a single figure that represents all these subfunctions. Senator Glenn has rightly pointed out that when we neglect education we are in effect eating the seedcorn that should be planted to guarantee that the next generation will be sustained. In the effort to develop better defense systems and to improve human performance, basic research, the research supported in function 6.1 and to a lesser extent in 6.2, is like education. Without it, the next generation of development and application cannot be properly sustained. We believe we see the Department of Defense eating its seedcorn.

It is happening in two ways. First, the great growth in Defense R&D spending through the early and mid-eighties occurred mainly on the weapons-specific development and deployment side, the 6.3 through 6.6 functions, rather than the basic research and exploratory applications side, the 6.1 and 6.2 functions. So there is less and less basic research being done. Second, the nature of the basic research that is still going on is not well balanced in our opinion. The emphasis has been on development of more and more sophisticated hardware systems. Not enough research is going on to assure both that the people who will be called on to operate the sophisticated systems will be able to do so and that the systems themselves are truly operable by humans.

It is telling, I think, that section J of the Special Analysis portion of the President's budget request contains not a single word about DOD research on human factors in national defense. Section J is that portion of the President's budget that outlines the Administration's proposed programs in research and development including DOD RDT&E. Only weapons system research is mentioned. This is particularly striking when one considers that more than half the defense budget goes toward personnel-related costs. One would expect that there would be ongoing research aimed at making the best use of that more than $150 billion spent on personnel and that the research would receive at least honorable mention among the Administration's proposed research plans. There is an explanation for the apparent oversight. It is that hardware performance is an overriding concern in the Defense Department. Naturally, therefore, many of those who head research related defense agencies have their expertise in engineering or a physical science. These are, no doubt, very able people, but they cannot be expected to be expert judges of research and even of research needs well outside their fields of expertise. The result is that behavioral research is underfunded.

Let me illustrate this with an example. Last October the House Armed Services Committee held a day of hearings on the Vincennes incident and on research that needs to be undertaken by the Navy on the nature of decision making under stress. The testimony from the non-government witnesses suggested that the Office of Naval Research was not supporting needed research in this area. Since the hearing, a proposal was prepared within the Office of Naval Research to support a research initiative on "Stress and Decision Making". While there was enthusiasm for the initiative at the program officer level, the initiative was rejected at higher levels of ONR. Certainly there should be research on non-human systems, but we want to emphasize that it must be balanced with equally good research on human behavior. A weapon performs its function only when the person using the weapon also performs his or her function.

There are two interrelated kinds of loss that result from not providing adequate support to the technology base, that is to basic research and exploratory application. The Defense Department loses in a direct way because it deploys systems that are difficult and sometimes even impossible for people to use, or it deploys personnel who are inadequately trained to use the modern systems correctly. But there is perhaps a more important and longer-term loss that this Subcommittee and the Defense Department must consider. That is the loss in research capability. When support for an area of research declines, the most able researchers leave the area. Naturally, the quality of the research begins to decline. New researchers are not trained. *Eventually, the capability to carry on such research is lost.* That is a loss that just cannot be made up with a quick infusion of funds at some later date. It is the scientific equivalent of shutting down a production line. As the Defense

Department found when it decided to renew its capability to use expendable launch vehicles to launch payloads into space, a production line cannot simply be started up again when a new need arises. The workers have departed. The suppliers have been lost. And the institutional memory regarding how to produce the product has been erased. The Defense Department has a responsibility, as do other consumers of basic research, to maintain the capability of the basic research community, including the behavioral science basic research community, to produce.

In a mission-oriented agency such as the Defense Department, it is reasonable that research should contribute to the agency mission. It is, therefore, reasonable that research is normally not viewed in isolation from development, testing and evaluation. Unfortunately for basic research, however, that association has tended to mask a long trend of decline. Using constant 1982 dollars, support for defense-related basic research has declined by 47% in the past 25 years. In 1982 constant dollars, the Defense Department spent $1.345 billion on basic research in 1965. The FY90 Bush request of $930 million is the equivalent of only $714 million in constant dollars. During the same time period, and again using 1982 constant dollars, the total amount spent by DOD for research, development, testing and evaluation was $26.609 billion in 1965, and the current FY90 request of $42.283 billion is the constant dollar equivalent of $32.490 billion, a real increase of $5.881 billion.

Comparing two points, 1965 and 1990, is not enough in itself to demonstrate a trend. Let us look at a more recent slice of time. Defense RDT&E spending has increased in real terms in each of the past ten years. By contrast, the basic research portion of RDT&E has declined five times in the past ten years. Moreover the 6.2 function, which is a bridge between basic research and application, has remained at an essentially constant level of about two billion dollars in real terms since 1975. Over the longer term, in constant 1982 dollars, 6.2 funding has decreased by 45%. In 1967 it received $3.6 billion, and it is currently at $2.0 billion in 1982 dollars.

The picture is clear. The armed services are spending consistently increasing amounts of money on development, testing and evaluation of new defense hardware. They are spending decreasing amounts of money on the technology base that underlies future development and that underlies efforts to improve human performance as well as to improve compatibility between defense hardware and its users. In fact, the basic research portion of total defense RDT&E has declined from 5.05% in 1965 to only 2.20% today. The 6.2 function has suffered similarly. We see it as an important part of the research, as contrasted with the development, budget because, although it supports applied research, the applications are exploratory rather than tied to development of a specific weapon. Currently, 6.2 funding accounts for about 5.8% of the RDT&E budget. In other words, 92 of every 100 defense research and development dollars now go to development of specific hardware systems while only 8 of every 100 dollars support the basic research and exploratory applications research that should be preparing the defense department to address future defense needs efficiently and effectively. We are particularly concerned about this striking imbalance because research aimed at improving personnel selection, development, training and performance comprises a vanishingly small portion of that 8%. Defense preparedness has to include not simply the machinery of defense but also the people who must control that machinery. We do not believe that a ratio of more than 9 to 1 in favor of development over research and exploratory application is a healthy one for the Defense Department to maintain. To prepare adequately for future needs, a greater proportion of military RDT&E dollars should be spent in the basic research and exploratory applications areas, and of that amount, a larger portion needs to be devoted to research related to human performance.

I want to look at one research department within the armed services to illustrate the points I have made about the impact of declining basic research dollars on both the Defense Department and on the capacity of the research community to continue to perform research that is needed to support national defense. The department I have chosen is the Basic Research Office of the Army Research Institute.

The Basic Research Office funds contract research on such things as decision making under stress, decision making under conditions of rapid change, and maximizing the utility of computer aided communication, command and control under field conditions. It also funds research to find better and more cost efficient ways to train soldiers in everything from leadership to weapons operation.

Under the current budget proposal, the Office of Basic Research expects to have $3.4 million to devote to contract research in FY 1990. This is down $400,000 from its current level, and it is down $1.3 million or 27% in current dollars from its maximum contract funding level of $4.6 million. Of course, in constant dollars the Office of Basic Research has lost much more than 27% of its contract research budget.. In constant 1982 dollars, the Basic Research Office has lost 36% of its funding since 1986. The impact of the decline can perhaps best be measured in terms of the number of new contracts for research the Office is able to award. When the funding level was at $4.6 million in 1986, the Office was able to award 30 new contracts for research. In 1989, it was able to award 2 new contracts. That decline seems precipitous enough, but the situation has actually been worse than it appears. In each of the last three years, the Office expected to be unable to fund any new contracts. It has been only mid-year reprogramming of funds from other areas of the Army Research Institute that has made any award of a new contract possible.

What has been the impact on the Army of this decline in basic research funding? One impact is that the Army is forced to make decisions about resource use that are self-damaging. Under ideal circumstances, the Army would be supporting a number of contracts that each play a role in building a complex body of knowledge to the point where it becomes most useful to the Army. It would also fund a number of new starts each year in order to address new research problems or to test applications flowing from a mature body of research. For example, one current contract from the Basic Research office is supporting research on decision making under stressful conditions. Another contract is supporting research on how decision makers use rapidly changing information in their decision making process. Another contract funds examination of the transmission of information and the transmission of commands under field conditions.

It is clear that each of these pieces of work is contributing to the body of understanding that is going to help Army personnel make better battlefield decisions. Each of these pieces of work is needed to achieve the most useful understanding of the problem. And when those areas do coalesce in a mature body of knowledge, the applications resulting from the work need to be tested in the course of actual practice maneuvers. That would be the logical way to proceed. Unfortunately, what the Basic Research Office faces is the prospect of having to terminate some current contracts essentially arbitrarily in order to make it possible to offer any new contracts at all. It is a no win situation. There are many research problems to which the Army needs answers. But at the present time, there is no capacity to address new needs without curtailing work in progress. So, under current constraints, the price the army must pay to address a new problem is to settle for incomplete, and therefore less useful, answers to problems on which it is currently supporting research. Exploratory testing of applications may need to be dispensed with altogether in some instances. Without complete answers to its practical research problems, and without the resources to carry out applications research, the Army will simply not function as well as it should. Moreover, it will fail to derive the greatest benefit from the research it is able to fund.

The Army suffers from its inability to reap maximum benefits from its basic research, but in many cases all branches of the armed services suffer when research in one branch is cut short. It should be pointed out, for example, that the work the Army is conducting on decision making could have been useful in the training of the sailors on the Vincennes. Perhaps with better knowledge of how to prepare enlisted personnel to process and relay information under stress, the decision to shoot down the Iranian passenger plane would not have been made. There was a time when the Office of Naval Research funded research on judgment and decision making. Many of the early advances in this field were made possible by ONR support. Now the Army Research Institute is the only department of the service with sustained commitment to this area even though it is clear from a variety of incidents in which there has been loss of life because of errors in information processing and decision making that further research as well as development in the area is needed. The decline of research funding in one branch of the service can adversely affect all the branches of the service.

A major contribution of the Army's Office of Basic Research has been to improve selection and training of personnel. In an environment where there is a surplus of recruits, it may be less important to train well. With many people from whom to select, it is possible to choose those who were well trained in desired skills before entering the Army. But the pool from which to draw recruits is shrinking, and the Army finds itself having to compete with the private sector and the other branches of the service for recruits who are most easily trained or who are least in need of extensive training. It is clear from national demographic changes that the Army will have no choice in the future but to recruit many who are essentially without skills useful to the Army. That means that training well will grow in importance to the Army. For the first time in eight years, the Army has been unable this year to recruit all those it needs. If the research has not been done to guarantee that the Army will know who to train for what positions and how to best train them in the least time, the Army of the future will be less capable. Under current budgeting, the Army cannot hope to complete the necessary basic research that will enable it to meet the demanding training requirements that demographic change guarantees it will face.

Basic research funding in the Army has declined in real terms for three years and would again decline with the FY90 proposed budget. Basic research at the Office of Naval Research has received level funding in real terms for the past five years. Only at the Air Force Office of Scientific Research has there been modest real growth in the basic research budget. The gradual decline of basic research funding by the Department of Defense is having very important adverse effects on the research community. I want to emphasize to the Subcommittee that there has long been a reciprocal relationship between the Department of Defense and basic researchers. The work of scientists has formed the basis for improved defense of the country. At the same time, the support of the Department of Defense has made it possible for researchers to carry out their work. As the Defense Department places more and more of its resources in development of hardware systems and less and less in preparation for future needs, there are whole areas of research that are languishing and may even die.

For example, there was a time when the Army, the Navy and the National Science Foundation provided funding for research in leadership. Able leadership is fundamental to the smooth functioning of every department of every branch of the armed services. Advances in understanding the nature of leadership and how to train individuals to be leaders, advances made possible through DOD basic research funding, yielded great benefits not only to the military but to private industry as well. We have better leaders because that research was done. But certainly no one believes that we have the best leaders possible. We could continue to make improvements. Now, however, the only department of government funding research in this area is the Army Research Institute.

As a result, it is becoming much more difficult to find researchers equipped to carry on such research. If, at some point in the future, it again becomes a general interest of the military to improve leadership training, it will not be possible simply to send out a request for research proposals. Instead it will first be necessary to fund the education of a new generation of researchers with the background to respond to such a proposal.

Other areas of research are being similarly affected. Support by the Office of Naval Research a decade ago helped develop a cohort of scientists able to carry out research on the nature of human judgment and decision making. Almost no research of this kind is supported by ONR presently. The Army funds a modest amount of such research as does the National Science Foundation, but that meager support is insufficient to allow those capable of doing such research to continue doing it for much longer.

At one time, the Department of Defense was a major funding source for research in group processes. As in industry, if people do not function well together, the objectives of the organization fail to be met. Social psychologists and organizational scientists received major funding from the Defense Department to conduct research aimed at understanding how to achieve the most efficient functioning of individuals in group work settings. Some organizational scientists still receive a bit of support from the Defense Department. Social psychologists, however, rarely receive support from Defense now. They depend almost exclusively on the National Science Foundation for support. The continued functioning of these two branches of science is jeopardized by the DOD shift away from support of such research.

The Department of Defense is a consumer of the products of research. It must bear its share of responsibility for seeing that the research capability of this country is maintained.

I would end this testimony by mentioning just a few of the ways that basic behavioral researchers are continuing to contribute to the defense of the country despite the long decline in Defense Department support for their work. It is a matter of growing concern to the Air Force that helicopter pilots using night vision goggles are crashing their aircraft. Behavioral researchers working on the problem are beginning to understand some of the factors involved in these fatal accidents. Advanced technology allows pilots to read flight information from heads-up displays. But changes in color on these displays convey important information, information that becomes distorted with night vision goggles. Peripheral vision is restricted by the goggles as well. The combined work of scientists specializing in perception research and those in the area of ergonomics will lead to information display changes that will save lives by making night helicopter flight safer.

Strong defense today is dependent on rapid processing of large amounts of complex information. So much information needs to be processed that it outstrips the capabilities of all but the most sophisticated computers. Neural scientists, with the support of the Office of Naval Research, are trying to understand how the most complex computer in the world, the human brain, networks information. Their work will result in a redesigning of computer circuits to make them more nearly imitate the information handling capacity and speed of our brains.

Scientists continue to do useful basic research for the Department of Defense despite gradual reductions in support that now extend over twenty-five years. There must come a point, however, at which support is too meager to sustain the enterprise. I would urge this Subcommittee to consider long-term needs. To keep basic sciences healthy enough to continue to serve defense needs, the Department of Defense must be convinced to renew its commitment to basic research. Within the basic research area, they must also be convinced that research to improve human performance must have as high a priority as research to develop or improve hardware. Whether the research is directed at hardware or software, it must be emphasized that sudden upswings and downswings in budgeting cause havoc in research. In 1986, the ARI Basic Research Office was adequately funded and was able to let 30 new contracts. In 1987, when a major portion of funding was withdrawn, the Basic Research Office was hard pressed to continue support for the second year of these new contracts and managed to do so by drastically reducing new contract awards. Continued declines in funding remove more and more scientists permanently from work that is relevant to the defense of the country. To be healthy, science does not need large infusions of funding suddenly. Instead it needs modest, prudent but reliable growth in support.

This Subcommittee would do a great service to both national defense and the health of the scientific enterprise by helping to reestablish the balance within the Department of Defense between basic research on the one hand and weapons systems development, testing and evaluation on the other. I thank the Subcommittee for this opportunity to bring before it these views from the behavioral science research community.

TUESDAY, APRIL 25, 1989.

THE AMERICAN ACADEMY OF OTOLARYNGOLOGY—HEAD AND NECK SURGERY, INC.

WITNESS

AINA JULIANNA GULYA, M.D., THE AMERICAN ACADEMY OF OTOLARYNGOLOGY—HEAD AND NECK SURGERY, INC.

INTRODUCTION

Mr. **MURTHA**. The next witness is Dr. Aina Gulya with the American Academy of Otolaryngology—Head and Neck Surgery. Dr. Gulya?

STATEMENT OF DR. GUYLA

Dr. **GULYA**. Mr. Chairman and members of the subcommittee, I am Aina Julianna Gulya, M.D., a practicing otolaryngologist in Washington, D.C., and I also serve on the faculty of the George Washington University.

I am here today as a representative of the American Academy of Otolaryngology—Head and Neck Surgery, the largest organization of otolaryngologists—head and neck surgeons in the world with more than 8,000 members, including 96 percent of all board-certified otolaryngologists.

The specialty of otolaryngology—head and neck surgery encompasses surgeons whose expertise involves the management of disorders of hearing, balance, the facial nerve, the nose, facial bones, as well as benign and malignant disorders of the mouth, trachea, larynx, thyroid and esophagus.

OTOLARYNGOLOGY RESEARCH IN DOD

Mr. Chairman, this is the first time that the academy has appeared before you, and we do so now to express our concerns about otolaryngology research in the Armed Services.

Over the past year, the academy has made a serious attempt to reach out to all of the Federal agencies currently supporting research in the field of otolaryngology.

Obviously, one of these agencies is the Department of Defense and its constituent branches.

We have identified at least eight other Federal agencies which are involved in research in otolaryngology, and our major purposes in dealing with all of these agencies are:

One, to attempt to assure that we understand all of the currently active research; and

Two, to allow us to lend the expertise of our members who are concerned with research to these agencies.

We, therefore, indicate to this committee that shortly we will begin work with the Surgeons General of the Armed Services to develop an overview of ongoihg otolaryngology research and to relate those areas under investigation in the military to the research undertaken and supported by other agencies.

I would like to emphasize to you that the scope of otolaryngology has expanded radically over the past 20 years, thrusting the otolaryngologist-head and neck surgeon into the forefront of the emergency management of head and neck trauma.

WARTIME INJURIES

Let me give you some examples of the kinds of injuries that could be caused in wartime which would be dealt with by an otolaryngologist.

Penetrating or blast injuries to the head and neck can cause airway and major vessel disruption with consequent loss of airway, breathing difficulty, and hemorrhage, major bleeding.

The otolaryngologist, dealing with head and neck disease on a daily basis, is equipped with the expertise to manage such injuries, performing such procedures as emergency tracheotomies, et cetera.

Similarly, maxillofacial injuries—major injuries to the facial bones and jaw—are among those treated by the otolaryngologist and are severe and frequently occurring events in warfare.

One can also focus upon another set of wartime events, namely acoustic trauma; events such as bomb or shell explosions can cause a severe temporary hearing loss, or even destruction of elements of the hearing mechanism, such that the afflicted serviceman is unable to communicate by telephone, radio, or otherwise, thus posing a danger to himself as well as his companions.

It is the concern of the otolaryngologist to diagnose and treat the immediate hearing loss and determine when the soldier can most expeditiously, yet safely, be returned to his unit. The management and prevention of such hearing loses fall directly within the expertise of the otolaryngologist.

If the committee so desires, we would be pleased to work with staff in the development of bill or report language calling upon the Surgeons General of the Armed Forces to participate with the American Academy of Otolaryngology—Head and Neck Surgery in the analysis of research programs now ongoing in order to have them appropriately related to the research endeavors of other Federal agencies, including the National Institute on Deafness and Other Communication Disorders.

We are aware that the services themselves have various coordinating authorities and certainly have no wish to intrude ourselves in any way into that process.

Thank you for giving us the opportunity to testify before your committee, and I will be pleased to answer any questions you may have.

Mr. MURTHA. Thank you Dr. Gulya.

[The statement of Dr. Gulya follows:]

THE AMERICAN ACADEMY OF
OTOLARYNGOLOGY—HEAD AND NECK
SURGERY, INC

1101 VERMONT AVENUE, N.W., SUITE 302, WASHINGTON, D.C. 20005-3521 (202) 289-4607
FAX (202) 289-5242 • ELECTRONIC BULLETIN BOARD (202) 289-7338

TESTIMONY OF

AINA JULIANNA GULYA, M.D.

REPRESENTING

THE AMERICAN ACADEMY OF OTOLARYNGOLOGY-HEAD AND NECK SURGERY, INC.

BEFORE THE

SUBCOMMITTEE ON DEFENSE APPROPRIATIONS

OF THE

APPROPRIATIONS COMMITTEE

U. S. HOUSE OF REPRESENTATIVES

ROOM H-140 CAPITOL

1:30 P.M., TUESDAY, APRIL 25, 1989

BOARD OF DIRECTORS

OFFICERS — 1988 - 1989

PRESIDENT
Byron J. Bailey, MD
Galveston, TX

PRESIDENT-ELECT
Richard T. Farrior, MD
Tampa, FL

VICE PRESIDENT
Jack Clemis, MD
Chicago, IL

SECRETARY/TREASURER
Charles J. Krause, MD
Ann Arbor, MI
1987-1990

IMMEDIATE PAST PRESIDENT
Derald E. Brackmann, MD
Los Angeles, CA

DIRECTORS

Jack R. Anderson, MD
New Orleans, LA
1987-1990

Charles W. Cummings, MD
Seattle, WA
1987-1990

Roger Crumley, MD
Irvine, CA
1988-1991

Donald J. Nalebuff, MD
Teaneck, NJ
1987-1989

H. Bryan Neel, III, MD
Rochester, MN
1988-1991

J. Gail Neely, MD
Oklahoma City, OK
1987-1989

Chairman, Board of Governors
J. David Osguthorpe, MD
Charleston, SC
1988-1989

COORDINATORS

John H. Boyles, Jr., MD
for Socioeconomic Affairs
Centerville, OH
1987-1990

Robert Ruben, MD
for Governmental Relations
New York, NY
1988-1989

Arnold Schuring, MD
for Legal Affairs
Warren, OH
1988-1991

EXECUTIVE VICE PRESIDENT
JEROME C. GOLDSTEIN, MD

ANNUAL MEETING • SEPTEMBER 24-28, 1989 • NEW ORLEANS, LA

Mr. Chairman and Members of the Subcommittee, I am Aina Julianna Gulya, M.D., a practicing otolaryngologist here in the Washington, D. C. area, and I also serve on the faculty of the George Washington University. I am here today as a representative of the American Academy of Otolaryngology-Head and Neck Surgery, Inc., the largest organization of otolaryngologists-head and neck surgeons in the world with more than 8,000 members, including 96% of all board certified otolaryngologists.

The specialty of otolaryngology-head and neck surgery encompasses surgeons whose expertise involves the management of disorders of hearing, balance, the facial nerves, the nose, facial bones, as well as benign and malignant disorders of the mouth, trachea, larynx, thyroid and esophagus.

Mr. Chairman, this is the first time that the Academy has appeared before you, and we do so now to express our concerns about otolaryngology research in the Armed Services.

Over the past year, the Academy has made a serious attempt to reach out to all of the federal agencies currently supporting research in the field of otolaryngology. Obviously, one of these agencies is the Department of Defense and its constituent branches. We have identified at least eight other federal agencies which are involved in research in otolaryngology, and our major purposes in dealing with all of these agencies are: (1) to attempt to assure that we understand all of the currently active research, and (2) to allow us to lend the expertise of our members who are concerned with research to these agencies. We therefore indicate to this committee that shortly we will begin work with the Surgeons General of the Armed Services to develop an overview of ongoing otolaryngology research and to relate those areas under investigation in the military to the research undertaken and supported by other agencies.

I would like to emphasize to you that the scope of otolaryngology has expanded radically over the past twenty years, thrusting the otolaryngologist-head and neck surgeon into the forefront of the emergency management of head and neck trauma.

Let me now give you some examples of the kinds of injuries that could be caused in wartime which would be dealt with by an otolaryngologist.

Penetrating or blast injuries to the head and neck can cause airway and major vessel disruption with consequent loss of airway (breathing difficulty) and hemorrhage (major bleeding). The otolaryngologist, dealing with head and neck disease on a daily basis, is equipped with the expertise to manage such injuries, performing such procedures as emergency tracheotomies, etc.

Similarly, maxillofacial injuries (major injuries to the facial bones and jaw) are among those treated by the otolaryngologist-head and neck surgeon, and are severe and frequently occurring events in warfare.

One can also focus upon another set of wartime events, namely acoustic trauma; events such as bomb or shell explosions can cause a severe temporary hearing loss, or even destruction of elements of the hearing mechanism, such that the afflicted serviceman is unable to communicate by telephone, radio, or otherwise, thus posing a danger to himself as well as his companions. It is the concern of the otolaryngologist to diagnose and treat the immediate hearing loss and determine when the soldier can most expeditiously, yet safely, be returned to his unit. The management and prevention of such hearing losses fall directly within the expertise of the otolaryngologist-head and neck surgeon.

If the Committee so desires, we would be pleased to work with staff in the development of bill report language calling upon the Surgeons General of the Armed Forces to participate with the American Academy of Otolaryngology-Head and Neck Surgery in the analysis of research programs now onlgoing in order to have them appropriately related to the research endeavors of other federal agencies, including the National Institute on Deafness and Other Communication Disorders.

We are aware that the services themselves have various coordinating authorities and certainly have no wish to intrude ourselves in any way into that process.

Thank you for giving us the opportunity to testify before your committee, and I will be pleased to answer any questions you may have.

TUESDAY, APRIL 25, 1989.

AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

WITNESS

PEGGY L. McFADDEN, CRNA, BS, ANESTHESIA MANAGER, BALLARD WRIGHT, MD, PSC, LEXINGTON, KENTUCKY, AND PAST PRESIDENT, AMERICAN ASSOCIATION OF NURSE ANESTHETISTS, CHICAGO, IL

INTRODUCTION

Mr. MURTHA. Our next witness is Ms. Peggy McFadden of the American Association of Nurse Anesthetists. Ms. McFadden.

STATEMENT OF MS. MCFADDEN

Ms. MCFADDEN. Thank you very much, Mr. Chairman.

I am Peggy McFadden, a certified registered nurse anesthetist. I work in Ballard Wright PSC in Lexington, Kentucky. Thank you for allowing us to come today.

RECRUITING AND RETENTION OF NURSE ANESTHETISTS

Our association has been very active with the military and the DOD over the last several years in trying to help recruit and retain nurse anesthetists. We believe that the key to retention and recruitment is a triad of policies having to do with pay, promotion and practice restrictions.

We believe that over the last several years that the military has not kept up with the civilian sector with regard to pay. For example, I have a nurse anesthetist from one of the military bases working for me today so that I can be here, and he tells me that the pay doesn't in any way compare with what is happening in the civilian sector.

We believe also that the restrictions that are being placed on a nurse in anesthetic practice are also keeping them from staying in the service.

RESTRICTIONS ON NURSE ANESTHETISTS

Mr. MURTHA. What are those restrictions?

Ms. MCFADDEN. Having to do with ratios. A nurse anesthetist must work with an anesthesiologist at a ratio of one to three. In some places there are no nurse anesthesiologists. There are other practice restrictions; for example, that the records must be reviewed, a number of records reviewed once a week to see if they are practicing up to standards of care.

I assume that is a quality assurance issue. I don't know of anyone who needs to be evaluated once a week. In the civilian sector, they are evaluated once every six months or once a year.

This entails reviewing the records by a physician to see if they are practicing up to a standard.

Mr. MURTHA. Every week?

Ms. MCFADDEN. Yes.

Mr. MURTHA. Is that just the Navy?

Ms. MCFADDEN. That is in all services. It has to do with the quality assurance directive that came out of DOD.

Mr. **Murtha**. We are aware of your three recommendations, and we are working on them. As a matter of fact, we have in the Supplemental, language that would allow hospitals to be more flexible in what they pay.

I was talking to an anesthetist at home, a first lieutenant in the Air Force, who is now in the Reserves, and the minute he got out of the service he was making twice as much money as he was in the service.

I don't know if that is an ordinary situation.

MILITARY VS. CIVILIAN PAY

Ms. **McFadden**. Let me refer you to our testimony and Exhibit 1. It outlines the differences between the military pay and the civilian pay. For example, projected this year for an 02, there is a $35,000 difference in pay between the military sector and the civilian.

Mr. **Murtha**. That is interesting. That Air Force Lieutenant was apparently making about $30,000 a year, and he was making $60,000 a year when he got out, or something close to that. He stayed in the Reserves and he is working over the weekend in the Reserve program.

But I can see a critical problem with this. We don't think we will survive on the floor because someone will try to make a point of order against the legislation and, in fact, it is legislation on an Appropriations bill.

We have been trying to do this for two or three years. We realize there is a critical shortage, they don't have enough administrative personnel in many cases, and we know pay is critical to keeping these people in.

It is not like the other parts of the service where you are dealing with national security, but they are treating patients wherever they are.

Ms. **McFadden**. You mentioned the IOWA. It made me feel badly coming here to represent 600 people. I was told by the Department of Defense that they were 1,600 nurse anesthetists short of what they needed to meet their requirements.

This testimony says we are 1,700 short. If we continue to lose at this rate, you are not going to have nurse anesthetists in the service.

Mr. **Murtha**. This is in the emergency Supplemental bill. We recognize it and see the problem. I don't know how we are going to solve it. There is a shortage, I assume, even on the civilian side in this particular field?

EDUCATION OF NURSE ANESTHETISTS

Ms. **McFadden**. That is part of our testimony as well, having to do with the education. The military has its own schools. We would like to see monies appropriated to increase the slots in the schools or to provide scholarships in the civilian sector with some payback.

We are probably educating half of the anesthetists that we were eight years ago, and the demand is increasing all the time.

Mr. **Murtha**. We will take a look at your testimony because we know the most efficient, cost-effective way of treating a patient is in a military hospital. We have an ICU at Bethesda that is closed down because of lack of professional personnel.

We have been pressing them to do better, and I think they are moving in the right direction, but it has been a two-year struggle. We will look at your testimony and look at your suggestions and see what we can do.

We appreciate your coming here.

[The statement of Ms. McFadden follows:]

AANA

STATEMENT OF THE
AMERICAN ASSOCIATION OF NURSE ANESTHETISTS
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE
ON DEFENSE ON THE FISCAL YEAR 1990
DEFENSE APPROPRIATIONS BILL

BY

Peggy L. McFadden, CRNA, BS
Anesthesia Manager
Ballard Wright, MD, PSC, Lexington, Kentucky
and
Past President
American Association of Nurse Anesthetists
Chicago, Illinois

April 25, 1989
1:30 p.m.

SUMMARY

The key to recruitment and retention of CRNAs in the military services, both active and reserve forces, requires attention to the Pay-Promotion-Practice Policies Triad. The wide disparity between civilian and military pay, and the emphasis placed on additional compensation for physicians in the military, makes it essential that an equitable bonus or professional pay be instituted for CRNAs and other nursing specialists wherein severe shortages within the military are identified. We believe, however, that no amount of money will compensate nurses or CRNAs adequately when promotion potential is severely limited and when they are not permitted to practice up to their full competence, capability and potential. The testimony of the American Association of Nurse Anesthetists addresses these issues and sets forth specific recommendations for action:

- Legislative authorization, with needed appropriations for meaningful professional pay or bonus for CRNAs within the military should be enacted expeditiously.

- Assure promotion potential for nurses, including CRNAs, for those fully qualified up through the grade of O-5 (Lieutenant Colonel or Commander) by their 16th to 18th year of service. This can be accomplished through exempting the Nurse Corps from DOPMA.

- Practice policies for CRNAs within the military services should permit them to practice up to their full competence and capability. Any proposed restrictions, inconsistent with the qualifications and capabilities of CRNAs, should require an impact statement with regards to its effect on recruitment and retention of CRNAs, and the accessibility and delivery of services to military beneficiaries and their costs.

- Education scholarships should be made available to military and civilian personnel desiring such support while attending a civilian accredited nurse anesthesia educational program as an inducement to serve on active duty as well as within the reserve forces; payback time for both civilian and military students in civilian or military nurse anesthesia educational programs should be equivalent to that of anesthesiology residents for their training; and nurse anesthesia education should have coequal priority to clinical teaching resources in major military medical centers.

- Partnerships between the military and civilian nurse anesthesia educational programs should be encouraged permitting students in civilian programs opportunity to affiliate with a military hospital for a portion of their clinical anesthesia training.

(0430V)

My name is Peggy McFadden. I am a certified registered nurse anesthetist (CRNA) and Past President of the American Association of Nurse Anesthetists (AANA). I am presently the Anesthesia Manager at Ballard Wright,MD, PSC, Lexington, Kentucky. We are most appreciative of the opportunity to address the Senate Appropriations Subcommittee on Defense regarding CRNAs in the military services, the shortages of CRNAs that currently exist within the military and civilian communities, and a legislative package that we believe should be enacted which will have the potential to recruit and retain CRNAs within the military services.

SHORTAGE OF MILITARY HEALTH PROFESSIONALS

Prior to focusing our testimony on the military CRNA and our recommendations regarding solving the shortage problem, we want to say a few words about the shortage of health professionals in general. In reviewing the testimony that has been presented before this Committee by the Military Chiefs of the various Nurse Corps, the Surgeon Generals, and Dr. Mayer, from DOD, we have been struck by some interesting comments. It is quite evident in Dr. Mayer's and the Surgeon General's comments that the priority at DOD and within the military services has been to resolve the military physician problem, with little concrete action, beyond increasing the number of recruiters and some scholarship programs devoted to resolving nursing and other health professional shortages. We believe the emphasis placed on keeping physicians in the military, as opposed to other health professionals, is a function of the structural leadership within the military medical services and reflects the current philosophy expressed by one of the Surgeon Generals before this Committee. He lumped all nonphysician health professional and technicians into the category of "ancillary support personnel." Unfortunately for the military and health care in general, no health provider is more dependent upon other health providers for accomplishment of his or her goals in practice, than the physician. And few, if any physicians are satisfied with their practice, or their pay, if they don't have an adequate number of qualified team members to accomplish the health care workload in an expeditious manner. Thus we believe that until DOD and the military resolve their nursing and other health professional shortages, efforts at retaining physicians will meet with limited success.

We believe that the first priority for action by DOD and each military service is something that will not cost them a penny, monetarily, but has great potential to help resolve their nonphysician health professional shortage, and ultimately the physician shortage. We believe that policies at DOD and within each military service must fully promote the philosophy that all health professionals have full membership on the military health care team and work collaboratively with each other, as well as with various technical and other support personnel to achieve the military health care mission. Only when such a philosophy is adopted and implemented will efforts and resources be equitably applied to the needs of all team members. Further, the modis operandi for the delivery of health care within the military must recognize the interdependency among all health personnel. The services must recognize and operationalize the utilization of the full competence and capability of each member of that team while maximizing their potential contributions in the delivery of health care services. Only in this manner can each member of the team be fully valued for the contributions he or she can make in times of peace and war.

NURSING SHORTAGE

Studies of the nursing shortage, including that done by the Secretary's Commission on Nursing of HHS, have all cited the need for nurses to be more involved in decision-making regarding policies that affect nurses and their practice. Admiral Hall, Chief of the Navy Nurse Corps, stated in testimony before this Committee that clinical nursing is the cornerstone of patient care; General Goodwin of the Air Force cited the nurse as the key element in health care; and even the Surgeon General who earlier had lumped all nonphysicians into the category of "ancillary supportive personnel" conceded that nurses are critical members of the health care team and are key to the accessibility and delivery of quality patient care.

It is our belief, not because we are nurses, but because of our experience and knowledge, that military nurses and their technical support personnel are the glue that hold military health institutions together, and make them function as living, vital organism. How many operating rooms in the military services are closed today because of lack of CRNAs or operating room nurses and/or technicians, recovery room nurses, or critical care nurses? And by such closures, how many military beneficiaries are either being referred to CHAMPUS or are waiting inordinate periods of time for needed health services? While we do not have the exact figures, we know that the numbers are highly significant as well as costly.

Further, we believe that resolving the nursing shortage in the military service is indeed key to accessible, quality, and cost-effective health services for military beneficiaries in times of peace and mobilization and armed conflict. *In addition, we believe that the answer to the problem in the military as well as in the civilian sector is primarily related to the triad of pay, promotion, and practice policies as they relate to high quality practice, maximum utilization of individual capabilities, and thus self esteem. Once self-esteem has been restored among professional nurses, problems related to autonomy and status will take care of themselves.*

CRNA SHORTAGES AND THE MILITARY

We are particularly appreciative to you, Senator Inouye and your colleagues, for the help that has been given the AANA and CRNAs in the past, as we have tried to assist the Department of Defense and each of the military services in recruiting and retaining CRNAs both within the military reserves and on active duty. These have included cooperating with military recruiters; writing articles in our publications relative to the active duty and reserve CRNA shortages, encouraging our members to consider military service; making our membership roster available to DOD; and writing to and meeting with military and DOD officials, calling their attention to policies which have, or currently serve as particular irritants to military CRNAs serving as disincentives to retention. Estimates of needs for CRNAs for both the active and reserve forces have been set at approximately 1700. Because of the failure of DOD or the military services to act expeditiously on some of these matters, some of our military members have seriously questioned our efforts. Certainly, the pay of military CRNAs has fallen far behind that within the civilian sector; promotion potential for CRNAs, which affects both morale, pay, and status has seriously declined in the 1980's; and finally, unwarranted practice restrictions, both perceived and real, have served to demean CRNAs, and adversely affect their morale and in some instances their clinical competency. Thus we believe that the basic answer to military shortages of CRNAs, like that for all nurses is centered in the Pay-Promotion-Practice Policies Triad. A fourth area that we must also address relates to education of nurse anesthetists both within and without the military since education of an adequate number of nurses, as well as CRNAs, is essential to meeting the demands for their services both within the military and civilian community.

We have informed the Military Services and DOD over the past few years that pay within the military for CRNAs has seriously fallen behind the pay for civilian CRNAs. Approximately five years ago, once a military CRNA reached the grade of major with about 12 to 14 years service, he or she could expect his salary and fringe benefits to match that of the average employed CRNA in the civilian workforce, who often had attained that level in two to four years. The shortage of CRNAs in the general population, based on both shortfall of graduates and increased demand, has served to increase civilian CRNA income significantly in the past three years to the point where military pay and fringes are no longer comparable to the average employed civilian CRNA. Those who may reach the highest grade anticipated by CRNAs of 0-6 (full colonel or Navy captain), show a decided deficit in income when compared with Chief Nurse Anesthetists in major medical centers. We have furnished a chart with our testimony which demonstrates the wide disparity in military pay for

CRNAs and the pay of civilian employed CRNAs. (Exhibit 1) This pay differential ranges from about $10,000 to 36,000 per year on the average, with younger officers showing a greater disparity in pay than more senior officers when compared with their civilian counterparts.

The shortage of CRNAs in the military services has caused some shift in military spaces to civilian slots, which may compromise military readiness. But there is a more immediate problem associated with the conversion of such slots and the necessity to either contract with a specific CRNA or with a locum tenum type provider for their services. A known example is where one military medical center has a personnel contract with one such agency for three CRNAs, paying in excess of $204,000 a year for wages alone for the three CRNA to work 40 hours a week, during the day shift, Monday through Friday. While not knowing what the agency actually charges per CRNA, for their overhead and profit, our estimate, based on known charges for such services, would be an additional 25 percent over that of the wages, or roughly $255,000 total. We also know that the three CRNAs thus contracted for receive $68,000 per year, significantly more than most CRNAs on the staff of this medical center who must also work weekends, cover night call, and put in needed overtime without additional pay. When you consider the pay of a junior captain CRNA in the military services, whose base pay and allowances may come to $35,000, this money could be better spent on retaining military CRNAs or in providing a more equitable pay package to enhance recruiting

AANA PROPOSAL 1: CRNA PROFESSIONAL PAY/BONUS

We believe it is essential that a professional pay or bonus must be instituted expeditiously for CRNAs if the continuous exodus of experienced, mid-level and senior CRNAs from the military service is to be stopped. Exhibit 2 reflects what we believe such supplements must entail if they are to be effective in retaining CRNAs. These include continuation bonuses and payments for sole anesthetist slots (hardship, isolated, or ship duty), and supplemental payment for CRNA faculty and Chief Nurse Anesthetists in military medical centers. In brief, we believe such a bonus or pay package must range from $5000 to $15,000 per year under most circumstances. For point of comparison, anesthesiologists get up to $40,000 per year additional pay.

The recruiting of CRNAs has always been somewhat problematic for the military services. In the past, the military services have done a better job in preparing their own CRNAs on active duty and retaining them. To what extent this will continue in the future is somewhat unknown since the pay differential between junior officers and civilian CRNAs is significantly greater than that between senior military CRNAs and the average employed CRNA.

AANA PROPOSAL 2: IMPROVING PROMOTION POTENTIAL

Each of the Military Nurse Corps Chiefs has addressed the problems associated with giving constructive credit for nursing experience and advanced nursing education for purposes of initial grade appointment. Promotion potential within the military not only is viewed from the perspective of pay increases, but is most meaningful from the standpoint of military status. Military nurses, including military CRNAs, take seriously their role as military officers and the responsibility and accountability that accompanies that role. Because of the commitment of many nurses, including CRNAs, to military nursing, good promotion potential is probably every bit as essential to a satisfying career as comparable pay with their civilian counterparts. In fact, we have heard many military CRNAs say that military pay would not be as great a problem if CRNA promotion potential was better; for example, if a CRNA with an excellent record could reasonably expect to be promoted to O-5 (Lt. Colonel or Commander) by the 16th year of service and O-6 (Colonel or Navy Captain) by the 22nd year.

It is imperative that consideration be given to providing the Nurse Corps the same type of exemption the Medical and Dental Corps have from the Department of Defense Officers Personnel Management Act (DOPMA) so that constructive credit and advanced grade placement will not adversely impact on the promotion potential for officers already on active duty. Further, such exemption could enhance the promotion potential of all military nurses at least up to O-5 (Lt. Colonel or Commander) by permitting fully qualified officers to be promoted with their peers.

AANA PROPOSAL 3: ELIMINATION OF RESTRICTIVE PRACTICE POLICIES

The third point of the incentive triad is practice policies. Over the past three to four years, there have been unwarranted restrictions placed on CRNA practice within the military which have served as severe irritants, causing some CRNAs to leave the services. Further, these restrictive policies have the potential to diminish the competency of military CRNAs. Restrictions have related to DOD supervision ratios for anesthesiologists and CRNAs, weekly evaluations of CRNA performance by anesthesiologists, and proposed and implemented limitations on CRNA practice in facilities where there are no anesthesiologists. The Air Force Manpower Yardstick that Dr. Mayer has supported as the basis for anesthesia staffing in all three services is essentially devised on a 1 anesthesiologist to 3 CRNA ratio. None of the military services routinely assign anesthesiologists to small, isolated, or hardship tours, including service on ships other than hospital ships, during peacetime. To date, CRNAs fill all of these spaces within the military service, affording them both a surgical and anesthesia capability.

We believe personnel ratios are inherently wasteful because they seldom take into consideration the patient characteristics served. From discussions with our members who are in the military service, we have found that the anesthesiologists may use the ratio during normal working hours to limit the number of operating rooms actually allowed to operate, while at night may or may not come in for emergency cases when a CRNA performs the anesthetic. Such ratio policies and the manner in which they are used often fosters animosity between anesthesia providers.

Military practice policies for CRNAs should foster the maximum utilization of their competencies and capabilities. The CRNA scope of practice defined by the American Association of Nurse Anesthetists should serve as the basis for the delineation of clinical privileges of CRNAs, consistent with the individual's education and practice experience.

Numerous studies have demonstrated that there is no significant difference in the outcomes of anesthesia care based on the provider of that care, regarding anesthesiologists or CRNAs. Further, a congressionally mandated study by the Center for Health Economics Research has demonstrated that CRNAs administer anesthesia services to high risk patients, performing complex procedures in the civilian sector daily. This is an essential capability for military CRNAs who may be called on in times of emergencies and armed conflict to have a high level of competency to meet the anesthesia needs of patients with complex trauma. It is our belief that while anesthesiologists can and do provide medical consultation for complex cases during times of mass casualties, they are most often needed to administer anesthesia and provide resuscitative services, like their CRNAs colleagues. Limiting CRNA practice during peacetime is the surest way to undermine their medical readiness for periods of armed conflict or other mass casualty situations.

CRNAs have experience utilizing multiple types of physicians for medical consultation for medical problems perioperatively in the absence of an anesthesiologist. Surgeons, obstetricians, internists, pediatricians, and other medical specialists serve as competent medical consultants for CRNAs when the necessity for consultation arises.

AANA PROPOSAL 4: SCHOLARSHIPS AND CIVILIAN/MILITARY PARTNERSHIPS FOR EDUCATING NURSE ANESTHETISTS

Each of the military services conduct their own nurse anesthesia educational program for active duty nurses who seek to enter this specialty. By the fall, 1989, each of the services will have implemented a two-phase curriculum whereby the principle academic component of the program is offered at one site with the clinical component of the program being offered in multiple sites. At present, the Army has seven clinical sites designated and in use, including one in Hawaii at Tripler Army Medical Center. The Navy has two clinical sites, and the Air Force plan calls for three clinical sites. The manner in which these programs are conducted lends themselves to expanding or contracting to meet service needs so long as the training spaces, faculty and clinical teaching resources are available. However, there are limited numbers of military hospitals both within the continental United States and overseas which have the capability of providing adequate clinical resources for training without additional affiliations.

We believe the provision of scholarships for civilian training of nurse anesthetists, not only for the reserves, but for active duty, could serve as a possible inducement for recruitment. However, if inequitable payback time is instituted, or continued, this may not be an effective inducement. Currently, Army nurses, who go through the 27-month Army nurse anesthesia educational program, are required to pay back six (6) years of service for that education. Anesthesiology residents who acquire 4 years of residency training only have to pay back four (4) years, or one year for each year of residency. In the Navy and the Air Force, students graduating from their nurse anesthesia programs have a four (4) year payback period for their 24 months of training, or two years per one year of training. If such inequitable payback policies are continued, it is possible that in the future it may adversely affect the number of nurses seeking to enter the military nurse anesthesia programs.

Unfortunately, since about 1983, we have lost a significant number of civilian clinical sites for nurse anesthesia training, causing almost a 50 percent decrease in the number of CRNAs being graduated. This has resulted from a variety of causes including the transfer of nurse anesthesia training spaces to anesthesiology medical residency programs, thereby increasing the number of anesthesiologists being trained at the expense of nurse anesthetists. Further, implementation of the Prospective Payment System for Medicare has caused some hospitals concerns regarding educational costs for nurse anesthetists, and they have closed their programs. In fact, even within the military, we have lost some training spaces for nurse anesthetists in major military medical facilities and are having to seek other training sites in smaller hospitals where the full breadth of experience afforded by the major facilities is unavailable. This places a burden on the nurse anesthesia students because it not only requires a major relocation between the academic and clinical phase of the program, it often necessitates affiliations with other institutions to attain the full breadth of clinical experience. This may necessitate an increase in travel and time away from family during the second year of education. We believe that nurse anesthesia education should have coequal priority to medical anesthesiology residency training in the use of the major medical centers within the military. Traditionally, retention of CRNAs within the military services beyond the training payback period has been higher than that for anesthesiologists. As such, nurse anesthetist education may afford a higher return to the military for the resources invested.

Additionally, if we, the profession, could form a partnership with the military to utilize some of their clinical resources, even in smaller military hospitals, for civilian students, it could serve as a recruitment inducement for both active duty and reserve or national guard service. Such partnerships would permit us to prepare more CRNAs and relieve somewhat the civilian shortage, having the potential to bring relief to the upward pressure on wages.

There is a quirk in either legislation or regulation regarding the CHAMPUS PARTNERSHIP program which should be evaluated for change. By legislation or regulation, (we have been unable to determine which) CHAMPUS partners, nor the clinical resources that they participate in caring for, cannot be used within educational programs. While at the moment the number of CHAMPUS partners and the amount of clinical resources devoted to them are small, this program is relatively new and can grow to the point where it does become problemmatic for some educational missions. We believe the educational prohibition should be removed from this legislation, or its regulations, to assure this program will not interfere with training missions. There is evidence at one military medical center this may already be happening with regards to a nurse anesthesia educational mission.

AANA PROPOSAL SUMMARY

In closing and in summary, we would like to recommend the following actions to this committee:

1. Legislative authorization, with needed appropriations for meaningful professional pay or bonus for CRNAs within the military must be enacted expeditiously. Our recommendations for additional professional pay and/or bonuses are attached in Exhibit 2 of our written testimony. Under most circumstances, this should permit a minimum of $10,000 per year, based on the willingness of the CRNA to extend his/her service for three years.

2. Promotion potential for nurses, including CRNAs, should be assured for those fully qualified up through the grade of O-5 (Lieutenant Colonel or

Commander) by their 16 to 18th year of service. This might be accomplished through exempting the Nurse Corps from DOPMA.

3. Practice policies for CRNAs within the military services should permit them to practice up to their full competence and capability. Any proposed restrictions, inconsistent with the qualifications and capabilities of CRNAs, should require an impact statement with regards to its effect on recruitment and retention of CRNAs, and the accessibility and delivery of services to military beneficiaries and their costs. It is only through such practice in peacetime, that military nurses, including CRNAs, will be ready to assume their appropriate roles in time of mobilization and war. Further, practice policies which maximize the utilization of CRNA and other nurses capabilities will make military nursing highly attractive and may well serve as an inducement to recruitment as well as to retention.

4. Education scholarships should be made available to military and civilian personnel desiring such support while attending a civilian accredited nurse anesthesia educational program as an inducement to serve on active duty as well as within the reserve forces. However, payback time for both civilian and military students in civilian or military nurse anesthesia educational programs should be equivalent to that of anesthesiology residents for their training. Further, nurse anesthesia education should have coequal priority to clinical teaching resources in major military medical centers.

5. Partnerships between the military and civilian nurse anesthesia educational programs should be encouraged permitting students in civilian programs opportunity to affiliate with a military hospital for a portion of

their clinical anesthesia training. It would be hoped that such partnerships might lead to an increased recruitment into the military, both the active and reserve forces.

We thank this Committee for the opportunity to present both oral and written testimony, and would be happy to answer any questions you may have.

(0427V)

EXHIBIT 1

AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

TABLE 1.
MEAN GROSS ANNUAL SALARY/INCOME FOR CRNA BY YEAR, 1986-89
(Fringe Benefits not included.)

1986	--	$46,000
1987	--	$53,615
1988	--	$58,287
1989	--	$65,830 (Projected, based on trending data.)

Data Taken From AANA Annual Membership Survey.

TABLE 2.
DEFICIT BETWEEN 1989 PROJECTED MEAN GROSS ANNUAL INCOME
FOR CIVILIAN CRNAs AND MILITARY CRNAs AT VARIOUS CAREER POINTS IN 1989.
(Figures rounded to nearest dollar. Fringe benefits not included.)

Career Point	Annual Military Pay	Mean Annual Civilian Pay	Deficit Between Military and Civilian Pay
0-2 3 years svc	$30,613	$65,830	$35,217
0-3 8 years svc	$36,586	$65,830	$29,244
0-4 14 yrs svc	$43,966	$65,830	$21,864
0-5 20 yrs svc	$55,435	$65,830	$10,395*
0-6 26 yrs svc	$68,118	$65,830	(+$2288)*

* Since military CRNAs at this level most frequently fill supervisory jobs, these comparisons with the mean annual income of CRNAs do not reflect a valid comparison. Most CRNAs serving in Chief Nurse Anesthetist positions in major medical centers are drawing salaries in excess of $70,000.

Data Extrapolated from AANA Membership Annual Survey Data and 1989 Military Pay Data. Military Pay includes basic pay plus quarters (with dependent rate) and subsistence annualized.

EXHIBIT 2

AMERICAN ASSOCIATION OF NURSE ANESTHETISTS

RECOMMENDATIONS FOR PROFESSIONAL PAY OR BONUS FOR CRNAS ON ACTIVE DUTY WITH THE UNIFORMED SERVICES

1. **PAYMENT FOR CRNAS WHO HAVE ACCRUED A PAYBACK PERIOD OF SERVICE:**

   $5000 Per Year, during period of pay back for any years of payback beyond one year per year of training. For instance, since the Air Force and Navy require a 4 year payback for 2 years of training, a CRNA would be paid the additional $5000 per year for the last 2 years of payback.
   Since the U.S. Army requires a payback period of 6 years for 27 months of training, the payback bonus should extend from the beginning of the 28th month through the sixth year, with the first year bonus prorated for the 9 month additional payback in the 3rd year.

2. **PAYMENT FOR CRNAS WHO HAVE COMPLETED PAYBACK PERIODS:**

   $10,000 Per Year, for extending for 3 years.
   $ 7,500 Per Year, for extending for 2 years.
   $ 5,000 Per Year, for extending for 1 year.

3. **PAYMENT FOR CHIEF NURSE ANESTHETISTS AND NURSE ANESTHESIA FACULTY IN MILITARY MEDICAL CENTERS:**

   $5,000 Per Year for Chief Nurse Anesthetists and Directors of Phase I and Phase II Nurse Anesthesia Educational Programs.
   $3,000 Per year for Didactic and Clinical CRNA Faculty members.

4. **PAYMENT FOR HARDSHIP, ISOLATED, OR SHIP DUTY BY CRNAS:** (This is defined to mean those assignments where a CRNA is the sole anesthesia provider.)

   $5000 PER YEAR.

We would estimate the cost of these bonuses or supplemental pay to be between $4,000,000-$6,000,000 per year for Active Duty CRNAs.

Consideration should be given to a supplemental pay or bonus for Active Reserve CRNAs. We would recommend a supplemental pay or bonus of $100 per weekend drill, and $500 per two week active duty tour. This would amount to approximately $1600 per Reserve CRNA. We believe this may be warranted due to the current shortage of CRNAs in the civilian community and the money CRNAs can make by moonlighting on weekends they would otherwise spend on Reserve training.

(0428V)

Mr. **Murtha**. Mr. McDade.

Mr. **McDade**. I wanted to make sure you knew that it is the Chairman of this committee who is leading the fight to try to change that pay structure. He led the fight and the committee agreed, and we have it in the Supplemental Appropriations bill.

Unfortunately, it may be subject to a point of order because they say it is legislation on an Appropriations bill.

Ms. **McFadden**. We appreciate what you are doing. The nurse anesthetists have a general feeling that we are not doing anything for them, neither the Association or the department is doing anything to help them stay there, and they want to stay there.

Mr. **McDade**. It might be helpful if you tell them the Appropriations Committee approves of your recommendation.

Ms. **McFadden**. Thank you very much.

Mr. **Murtha**. Mr. Miller.

Mr. **Miller**. Thank you. No questions.

Tuesday, April 25, 1989.

FEDERAL MANAGERS ASSOCIATION

WITNESS

PAUL E. TRAYERS, EXECUTIVE DIRECTOR, FEDERAL MANAGERS ASSOCIATION

Introduction

Mr. **Murtha**. The next witness is Mr. Paul Trayers with the Federal Managers Association. Mr. Trayers.

Statement of Mr. Trayers

Mr. **Trayers**. Mr. Chairman, thank you for the opportunity to testify today on behalf of the Federal Managers Association and the issue of the funding of naval shipyards. I will submit my statement for the record and make three points.

PUBLIC AND PRIVATE SHIPYARDS

Our first concern deals with assurance of strategic mobilization capacity of the naval shipyards. We are concerned that the shipyards are not maintaining a sufficient level of facilities or personnel, should military conflict require such efforts.

A point is that there is an increasing slide to the private sector shipyards to repair and modernize naval ships. The association fully supports the right of private sector shipyard workers to go on strike, but it needs to be pointed out public sector shipyards do not have that same right, an issue that we think should be weighed heavily in considerations of mobilization capacity.

We are also concerned that the private sector shipyards do not have the necessary expertise and skills development needed to have rapid mobilization of our maritime Navy fleet.

LONG BEACH SHIPYARD

Secondly, we are concerned with the future of the Long Beach Shipyard. There are plans now to reduce that work force by 1,000 people. That would essentially diminish the capacity to survive as a shipyard.

The southern-most shipyard that would survive in California would be San Francisco, leaving that area of California vulnerable. We feel that Long Beach is an efficient and effective shipyard. It has returned close to $6 million last year to the Naval Sea Systems Command for reallocation due to savings in overtime and in direct labor man-day rates.

So we feel that the shipyard has been efficient and effective and deserves to survive.

COMPETITION

Thirdly, we are concerned about public and private competition. For several years the Navy has been interested, and we support the concept of private and public shipyard competition.

The sad reality is that the factor of the low bid becomes essentially the dominant factor of who wins the bid. This is not taken into consideration and fails to penalize those private sector shipyards that come in with a low bid and then do poor work, send a ship out over schedule and have to come back to resubmit for additional funding.

The good-quality efficient and effective shipyards that we are proud to represent are penalized by a competition process that rewards low-balling and fails to reward those processes that evaluate efficiency.

Mr. **Murtha**. How do you overcome that tendency?

Mr. **Trayers**. That any kind of amendment to the original contract be penalized, including the removal of that particular private or public shipyard from bidding for a certain period of time until they can prove that they are efficient and effective.

There should be strict adherence to the requirement that the public/private shipyard ratios be in fact 70-30 as intended to be and not slide to a 60-40 ratio. Under the law, the private shipyards are allowed no more than 30 percent of the Navy shipyard repair work and right now we are not certain that that percentage is being maintained.

Mr. **Murtha**. We are trying to make sure we maintain our industrial base. Long Beach is a concern of ours. Congressman Dixon and Congressman Anderson have been in the forefront of trying to bring our attention to problems there, and we are working with the Navy trying to get some work into Long Beach because we think it is important.

It is a national asset and we hope that we will succeed.

Mr. **Trayers**. Thank you, Mr. Chairman.

Mr. **Murtha**. Mr. McDade.

Mr. **McDade**. No questions, thank you.

Mr. **Murtha**. Mr. Miller.

Mr. **Miller**. One question.

I notice that you say in your statement—you focus on three items; Long Beach Naval Shipyard is one, and as I go through, I see where you are saying the Navy is currently considering the layoff of over 1,000 employees at Long Beach Naval Shipyard.

Mr. **Trayers**. Yes, sir.

Mr. **Miller**. Could you tell us why you feel that those 1,000 employees will be laid off?

Mr. **Trayers**. I would say this. I guess discussing that issue from the negative, it is not for mobilization purposes or to reward an efficient shipyard. It seems to me the interest is to maintain the viability of private shipyards in the southern California area.

The state of maritime construction in the U.S. is very low and private sector shipyards are surviving on their repair and modernization of naval ships, so that the private shipyards must have naval shipyard repair business in order to survive.

It is my view that Long Beach will be given less and less to do over a period of time, so that private shipyards in that area will be allowed to survive.

Mr. **Miller**. Is that more of a warning?

Mr. **Trayers**. No, sir. There are currently conversation plans and rosters down to the name and Social Security number of these employees in Long Beach who are on a RIF list.

Conversation is going on between Long Beach and NAVSEA as to appropriate procedures to take to implement the RIF of 1,000 people. That is not idle speculation. We have met with the individuals who have been on the board studying who should go, and for whatever reason.

Mr. **Murtha**. This committee directed $60 million to the West Coast for that very problem, and we have met with the Navy on several separate occasions and they are working at the problem.

I am not sure the mix will be exactly the same as it would be if they had gotten the ships that they were interested in, but it has been a complicated problem, very difficult to resolve.

We will continue to struggle with it because you can't let competition completely dominate this or we will lose more shipyards, yet when you try to disperse them, you run into problems.

It is a difficult issue. We appreciate your coming before the committee.

Mr. **Trayers**. Mr. Chairman, I appreciate appearing here.

[The statement of Mr. Trayers follows:]

FMA
Federal Managers Association

STATEMENT

OF

PAUL E. TRAYERS

EXECUTIVE DIRECTOR

FEDERAL MANAGERS ASSOCIATION

BEFORE THE

SUBCOMMITTEE ON DEFENSE

COMMITTEE ON APPPROPRIATIONS

U.S. HOUSE OF REPRESENTATIVES

APRIL 25, 1989

1000 16th Street NW Suite 701 Washington DC 20036 (202) 778-1500

Mr. Chairman, members of the Subcommittee, I am Paul E. Trayers, Executive Director of the Federal Managers Association. On behalf of the Association, the oldest and largest professional group of managers and supervisors in the Federal government, I thank you for this opportunity to present our views on the funding of Naval ship overhaul and repair work.

The Federal Managers Association originated seventy-six years ago in the nation's naval shipyards as the Quartermen-Leadingmen Association, a group representing civilian shipyard supervisors. Since that time, our Association's membership has expanded to encompass managers and supervisors throughout the breadth of Federal government. Nevertheless, the Federal Managers Association continues to retain a strong interest in the effective management and operation of the Nation's eight naval shipyards, guided by the professionalism and expertise of our members in the shipyard managerial and supervisory ranks.

Our testimony today focuses on three main areas of concern: the assurance of strategic mobilization capacity; the future of Long Beach Naval Shipyard; and the need for removing impediments to effective public-private competition.

The Need for Assuring Strategic Mobilization Capacity

The nation's eight naval shipyards exist to service the American naval fleet through repairing, maintaining and modernizing aircraft carriers, nuclear powered ships, submarines, and other military vessels. Special capabilities and facilities, developed over many years, are required for this complex work and are not normally found in the private sector.

In addition to peacetime repair, maintenance and modernization work, the Naval shipyards must also be prepared for rapid mobilization in the event of war. To accomplish this, adequate facilities and a competent skill base must stand ready to support rapid mobilization.

We are increasingly concerned that the Naval shipyards are not maintaining a sufficient level of facilities and personnel to support mobilization, should military conflict require such efforts. Mobilization capacity obviously is critical to the security of our nation. And yet, resources for adequate Naval shipyard mobilization are being increasingly reduced. For example, the Navy is currently considering the lay-off of over 1000 employees at Long Beach Naval Shipyard.

At the same time, the nation's private, or commercial, shipyards do not possess the expertise and facilities necessary to satisfy the Navy's mobilization needs. Nor can they be duplicated by the private sector without a major investment of both funds and time.

Skill requirements represent perhaps the most difficult factor in meeting mobilization needs. Skill shortages are an industry-wide problem. Wages are lower in shipbuilding than in other industries competing for the same metal and other craft skills. Thus, skilled tradesmen released from a Naval shipyard rarely return there for employment. In addition, few industries develop the specialized skills required for shipbuilding, and particularly ship repair.

The Future of Long Beach Naval Shipyard

As I previously mentioned, the Navy is currently considering the lay-off of over 1,000 employees at Long Beach Naval Shipyard. This move is due to inadequate future funding and workload. The strategic importance of LBNYS, as well as the strong technical capabilities of its workforce, will be compromised if the trend of funding decisions and workload assignments is allowed to continue.

Long Beach Naval Shipyard (LBNS) is the only facility in southern California capable of drydocking large surface Naval vessels for the purposes of repair and modernization. Its strategic location enables it to support the fleet with immediate, unimpaired access to the open sea.

The record of experience at Long Beach Naval Shipyard reflects a capacity for successfully handling emergency repair work on short notice and the competent overhaul of complex electronic weapon detection and combat systems (e.g., New Threat Upgrade Program). The shipyard is capable of repairing propellers and shafts of any size on conventionally powered surface craft. It also serves as a depot overhaul point for 4,400 depot level repairable items.

During the past year, Long Beach Naval Shipyard has achieved significant gains in productivity and workmanship. Overhead costs from FY 1987 to FY 1988 have been reduced nearly 15 percent, while direct labor manday rates since May, 1987 have been reduced by 13 percent. A 24 percent reduction in overtime usage and other improvements during FY 1988 helped LBNS realize a surplus in payroll funds, allowing $5.7 million to be returned to Naval Sea Systems Command for reallocation to other Naval shipyards at the conclusion of the fiscal year.

The Federal Managers Association believes that the repair and overhaul capabilities of Long Beach Naval Shipyard should be preserved and improved. Funding for workload assignments should be structured to assure that its mobilization capacity is not placed in jeopardy.

Improving Public/Private Competition

Since 1985, an increasing number of Navy ship maintenance and modernization dollars have been allocated to competition between public and private shipyards. Under Navy policy governing shipyard competition, the winning bidder is decided on the basis of technical proficiency and lowest bid.

This procedure does not adequately take into account repeated problems with cost-overruns and untimely performance, especially by private shipyards. Shipyards that repeatedly come in with the lowest bid, or "low-ball", and then do poor work, exceed the time allotted under the schedule, engage in cost overruns, and file excessive claims are not penalized by this process. Likewise, shipyards that demonstrate exceptional technical performance, deliver ships on schedule, and stay within the cost perimeter are not rewarded by this process. "Low-balling" should not be permitted.

So long as low-balling is permitted, the goal of public/private competition as means of approaching the efficient attainment of a mobilization base will be threatened.

Mr. Chairman, thank you for the opportunity to address this panel. I would be happy to answer any questions you may have. Thank you.

TUESDAY, APRIL 25, 1989.

AMERICAN PSYCHOLOGICAL ASSOCIATION

WITNESS

WALTER SCHNEIDER, PH.D., SENIOR SCIENTIST AND PROFESSOR OF PSYCHOLOGY, UNIVERSITY OF PITTSBURGH

INTRODUCTION

Mr. **MURTHA**. Our next witness is Mr. Walter Schneider on behalf of the American Psychological Association. Professor Schneider.

STATEMENT OF MR. SCHNEIDER

Mr. **SCHNEIDER**. I am Walter Schneider, Senior Scientist and Professor of Psychology at the University of Pittsburgh. I am testifying on behalf of the American Psychological Association which represents the concerns of 90,000 psychologists.

I ask permission to make my statement part of the hearing record, and I will briefly summarize my remarks.

Mr. **MURTHA**. Without objection.

Mr. **SCHNEIDER**. I am pleased to appear before this committee that, under the chairmanship of Congressman Murtha, has emphasized the people factor in the military.

TRAINING AND HUMAN PERFORMANCE

When a constituent dies in training, everyone is dissatisfied when it is called human error. We must study human performance to reduce those human errors. Last year, more people died in training than in combat and terrorism combined. The majority of these are due to human error.

The study of the human factor is a critical area of military basic research. We need to understand how to train people to maximize their potential, how to operate humans within limits before the human error becomes fatal.

The strength of our military is strongly determined by the skill, training and appropriate use of people. For in every weapon system it is the human that maintains the system, performs the final data analysis, and launches the weapon.

In the VINCENNES incident, the lack of training with decision-making under uncertainty and poor appreciation of limits of human decision-making under stress contributed to a predictable and tragic decision and resulting loss of life.

The cost-effectiveness of the military is heavily dependent on the human factor. After spending $15 billion funding an aircraft carrier battle group, it is cause for concern when the Admiral reports that the effectiveness of the group is compromised due to lack of training. Buying a warehouse full of equipment that cannot be fielded or used effectively is a poor investment.

Funding levels for behavioral research are disproportionately low. Forty-seven percent of the defense budget is related to personnel. Yet less than three percent of the basic research funds are devoted to understanding and improving the human factor.

We spend $20 billion on training, yet less than one-tenth of one percent of that amount on basic research related to training and human performance.

FUNDING FOR BEHAVIORAL RESEARCH

Compared with other military sciences, funding for behavioral research is very low. For example, in the Army, 62 percent of the budget is personnel-related, yet only 1.8 percent of the basic research is. The Army can only fund 13 percent of the qualified human proposals.

Since the human factor is the major factor limiting defense performance, it should be the major factor in basic research. With so much at stake, the military must take the lead on funding the study of skilled performance of active normal individuals performing demanding jobs.

OPTIMIZING PERFORMANCE

The scientific study of human behavior identifies relationships that can be used to reduce training costs and to yield better performance. Basic research in psychology investigates how humans perceive, learn, make decisions, communicate and maintain motivation.

Understanding these mechanisms provides the basis for better training programs and optimizing human performance. Results from cognitive psychology can be applied to train seemingly impossible human performance levels.

Researchers have improved individuals' short-term memory capacities from eight digits to 80 digits. Think of somebody reading you an 80-digit phone number and then you going to the phone and dialing it without error. It can be done. In my research, I have trained individuals to speed up decision-making by a factor of 100.

IMPROVED TRAINING

Studying the human factor allows more effective allocation of training resources. For example, some of a pilot's skills can be taught as effectively and a lot more cheaply using a cardboard mockup of the cockpit as in an expensive high-performance simulator.

Basic results from psychology have been applied to improve training and saving lives. Using concepts developed from DOD-sponsored basic research, a new training simulator for electronic troubleshooting was developed for the Air Force.

Evaluation tests concluded that 25-30 hours of training with a simulator was equivalent to four years of on-the-job training.

Low-altitude flight in jets and helicopters is the greatest cause of fatalities in training. If a pilot visually misjudges the slope of the ground by one degree, he has only three-quarters of a second to see it. Pilots who do not understand the limits of their visual system do not know what to look for.

By applying basic attention and perception research, the flight curriculum of the Arizona National Guard was redesigned. Pilots were taught to look for and how to fly the jet safely, compensating for the limits of the visual system.

The results have been so successful that the approach is now used throughout the U.S. Air Force.

We owe it to our servicemen, the sons and daughters of your constituents, to study the human factor. Human error does not begin or end with the soldier that is stressed beyond his cognitive limits due to poor design or training.

The second-class petty officers on the VINCENNES that misread their computer screens share little of the blame, though they must live with most of the guilt for the downing of an Iranian commercial jet.

The human error begins when we choose what not to investigate, what not to find out. In human performance, what we don't know does hurt us.

Mr. MURTHA. Go back over that about the pilots.

Mr. SCHNEIDER. Take an illustration. The human visual system is very sensitive to texture so that if you are flying over an area that has lots of trees in it, it is relatively easy to realize that you are 100 feet above the ground.

If you go over a desert that has only a limited amount of scrub brush, your accuracy of the visual system drops considerably.

Mr. MURTHA. When a pilot lands on water, for instance, in a sea plane, it is very difficult, as I understand it, to judge the depth perception.

Mr. SCHNEIDER. Correct. One of the issues in terms of studying human performance, for example, what happened in the Arizona National Guard, is that after a number of accidents, they looked at these factors and built a training program that told pilots, first of all, where to look. For example, when you are doing a turn, the specific position you look through the windscreen is dependent on your current speed, the types of terrain you are going over, the textures that are available.

Training in the aircraft is very dangerous. Having an understanding of the visual system, what is it good at, that is identifying and visualizing an object of known size and distance, that kind of information, you more \appropriately are able to control that aircraft in a situation such as low-altitude flight.

The issue in terms of basic research support is to understand the characteristics of the visual system, the decision-making system, so that we can both design systems that better match those systems as well as developing training programs.

Mr. MURTHA. Since we have so much more flight at low altitude, it is even that more important. In order to avoid detection by radar, we fly at low altitude, so it makes it that much more important.

Mr. SCHNEIDER. Correct. We are suggesting support of the basic research, understanding the nature of the human factor can reduce human errors.

We recommend that we increase over the next five years behavioral research to ten percent of the basic research funds, that we require agencies to report the amount of human performance research they support and gradually increase the basic research funding to four percent of the DOD budget, the level it was ten years ago.

I hope that this committee implements its concerns for the people factor so that five years from now the pie chart of basic research efforts will reflect that the human factor is given the priority it represents to the military.

Thank you for this opportunity.

Mr. **Murtha**. We appreciate your coming before the committee. I am going to ask one of the staff to talk to you before you leave. We will look at your testimony and see if you have other suggestions.

Mr. McDade.

Mr. **McDade**. No questions.

Mr. **Murtha**. Mr. Miller.

Mr. **Miller**. No questions.

Mr. **Murtha**. Thank you very much.

[The statement of Mr. Schneider follows:]

American
Psychological
Association

Advancing psychology as a science, a profession, and as a means of promoting human welfare

TESTIMONY OF

Walter Schneider, Ph.D.

Senior Scientist and Professor of Psychology

University of Pittsburgh

on behalf of the

American Psychological Association

before the

UNITED STATES HOUSE OF REPRESENTATIVES

Committee on Appropriations

Subcommittee on Defense

on the subject of

Fiscal Year 1990

Department of Defense Appropriations

April 25, 1989

The Honorable John Murtha, Chair
H-140 Capitol Building

1200 Seventeenth Street, N.W.
Washington, D.C. 20036
(202) 955-7600

Behavioral Science and DOD
Defense Appropriations Subcommittee
April 25, 1989

American Psychological Association
Summary of Recommendations

Changes in appropriations can reduce the chances of human error and build a better military. In consideration of the military appropriations legislation, the American Psychological Association recommends that this Subcommittee:

1. Specify that 10% of the basic research funds (less than one-half of a percent of the DOD training budget) be used for human behavioral factors research because it can provide the basis to save lives, improve military effectiveness and reduce costs.

2. Require the research agencies to report the amount of the research carried out on humans and the class of issues that are being addressed.

3. Increase 6.1 (Basic Research) funding to four percent of the DOD budget, its level of funding ten years ago.

4. Encourage the incorporation of human factor considerations in the procurement of equipment and the development of training programs.

5. Provide long-term and consistent funding of basic research so agency managers can develop programs of research to address fundamental issues regarding the human factor.

Mr. Chairman and Members of the Committee, I am Dr. Walter Schneider, Senior Scientist and Professor of Psychology at the University of Pittsburgh. I am testifying on behalf of the American Psychological Association (APA) which represents the concerns of 90,000 psychologists, many of whom conduct behavioral research on military issues.

The field of psychology has a long involvement with the military. On April 6, 1917, as the United States entered World I, a group of psychologists convened at Harvard to discuss how psychology could contribute to the war effort. The meeting came out of the creation of the National Research Council (NRC) by the National Academy of Sciences in 1916 to organize scientific support for the impending war effort. As a result, the Committee on Psychology was formed. The efforts of this Committee led, among other things, to the psychological screening of over 4,000 recruits at four Army and Navy Camps. By 1919 more than 1,726,966 inductees had been administered newly developed intelligence tests.

Since this early effort psychology has become more deeply entrenched in supporting the efforts of the military, with research psychologists expanding into new and diverse areas. Behavioral/psychological research can contribute significantly toward improving military readiness and performance in combat situations. Gains in these areas already have been achieved through psychological research on: testing/screening; training; simulation devices; human factors engineering; auditory classification; visual perception; studies of motor function; decision making; group and organizational behavior; and neuroscience. I myself study attention and skill acquisition in such complex military tasks as air traffic control.

The strength of our military is largely determined by the skill, training, and appropriate use of its greatest resource — people. Behavioral science involves the objective study of human performance through observation, experimentation, and modeling of human behavior. In every weapon system it is the soldier who maintains the system, performs the final data analysis, and launches the weapon. The military has supported the study of materials to ascertain how to temper and shape metals and determine their limits under stress. Yet, much more serious risk of loss of life and effectiveness comes from inadequate training. A twenty year old pilot must comprehend multiple computer screens while controlling a multi-million dollar aircraft and an error of one second can cause death.

It is vital that we study how to train and organize humans to perform in complex and stressful situations. Military personal are dedicated, intelligent, hard working individuals. These men and women deserve a commitment to understanding human performance and learning. Our country's military benefits from knowing how humans perceive scenes, how to train individuals to develop high performance skills, how to maintain those skills, and how to obtain high performance levels without increasing the chances of catastrophic human failures.

There is a critical need to study the human factor in the military context.

The military must train more people in less time to perform more complex tasks than ever before. The Air Force Training command is the largest education and training system in the free world. It trains 425,000 students in 6,300 courses in 350 career fields. It takes at a minimum an investment of four years to train an expert technician — and then their tour of duty ends.

The military must take the lead on funding the study of skilled performance of active normal individuals performing demanding jobs. The responsibility for basic research on human skilled performance rests with the Department of Defense. Military funding has made important contributions in the study of human factors, but real funding levels are declining just as the need for this work in becoming more apparent.

Tragically, the military catastrophes of the last decade have been the result of human error. In the Vincennes incident, the lack of training in decision making under conditions of uncertainty, combined with a limited appreciation of the limits of human decision making under stress, produced a predictable and tragic decision resulting in the death of all 290 passengers onboard an Iranian Airbus. In Desert One in Iran, problems with maintenance and training combined witn bad weather to set the stage for serious errors, a failed mission, and loss of life. In the last year we lost more serviceman to training problems than to military action and terrorism combined.

The cost effectiveness of the military is heavily dependent on the human factor. It has been estimated that maintenance costs consume 25-30% of the military budget (Nawrocki, 1981). Maintenance costs represent 90% of the life cycle costs of electronic gear (Christensen & Howard, 1981), and field studies have indicated that 70% of the Army electronic equipment was inoperative at the time these studies were conducted (Feineman, 1978). Similarly, after spending $15 billion dollars funding an aircraft carrier battle group, it is cause for concern when the Admiral reports that the effectiveness of the group is compromised by a lack of training by controllers. Likewise, funding that finances a warehouse full of equipment that cannot be fielded or used effectively is clearly not a wise investment of taxpayer funds. At any one time there are nearly one quarter million maintenance technicians in the armed forces -- approximately 25% of them are new. Effectively training these personnel is of vital importance to the military.

The demographic trends of the future require that we maximize the skill and abilities of new recruits and existing personnel in the military. By the year 2000, the number of 18-to-24 year-olds will drop 19% relative to 1980 levels. There will be fewer top quality people available to recruit. We must invest in studies to determine how to quickly train these people to perform highly demanding jobs. Further, the age of military personnel will be increasing. We study how commercial airplanes age; not studying how human cognitive processing changes with age is clearly shortsighted.

Funding levels for Behavioral Research are Disproportionately Low.

Forty seven percent of the defense budget is related to personnel, yet only three percent of the basic research funds are devoted to understanding and improving the human factor (see Exhibit 1). We spend 20 billion on training yet we spend less than one tenth of one percent of that amount on basic research related to training and human performance. In fact, we spend less on basic research on human factors than is lost in a single aircraft accident. An investment increase to life science research of 10% of the total basic research budget seems modest when considering that personnel costs consume nearly half of the entire military budget.

Despite its vital importance, compared with other military sciences, funding for behavioral research is very low and this situation is getting worse. Exhibit 2 shows the distribution of research funds across the major basic research agencies. Behavioral research has been increasing in the Air Force in recent years but decreasing in the Navy and Army. In the Army, only 6 of the 47 (13%) qualified proposals for human basic research were funded. The Army Research Institute had only $328,000 dollars for new starts to study behavioral issues this year. In contrast, the Army spent sixteen times more money (5.2 million) on new starts for basic research on the study of materials, funding 65% of the qualified proposals. Since the human factor is the major factor limiting defense performance, it should be a major factor in basic research.

Scientific Study of the Human Factor

The scientific study of human behavior identifies relationships that can be used to reduce training costs and to yield better performance. Basic research in psychology investigates what humans perceive in a scene, how attention is allocated, how decisions are made, how people learn, how groups communicate, what motivates individuals to succeed, and why individuals differ. This research develops laws that predict performance. Mathematical functions (i.e. Power Law, see Newell & Rosenbloom, 1981) can be used to accurately predict how people improve with practice. This allows one to determine how much training is needed for reliable performance. For example, findings from psychological studies of eye movements and map reading could have predicted that the single person design of the LHX helicopter was beyond the operational limits of the human operator.

Results from cognitive psychology can also be applied to train to seemingly impossible human performance levels. Researchers (Ericcson, Chase, and Faloon, 1980, ONR sponsored research) have improved individuals' short term memory capacities from 8 digits to 80 digits. Think of somebody reading you an 80 digit phone number and then you going to the phone and dialing it without error. It can be done. In my research I have trained individuals to speed up decision making by a factor of 100, to process information well under a high workload, and to perform reliably even under the influence of drugs. These results from studying cognitive psychology are very encouraging because they show that given motivated individuals and a properly designed training program we can produce high levels -- almost super human levels -- of performance.

Studying the human factor allows more effective allocation of training resources. How should we use textbooks, lectures, desktop simulators, high performance simulators, and flight time to develop pilots? For example, some of a pilot's skills can be taught as effectively using a cardboard mock up of the cockpit as in an expensive high performance simulator (see Caro, 1988, Prophet & Boyd, 1970). Understanding the tradeoffs and transfer for different training systems is very important for costs and safety considerations. There is a tendency in procurement to buy the highest fidelity simulators at the cost of severely reduced training time. The result is often that pilots get only a few practice trials performing critical maneuvers in simulators. Ask yourself, how good are you at performing a new function on a word processor (e.g., how to underline some text) after only three trials? Would you feel comfortable with only three trials performing a critical task if your life depended on it? We know that increasing the number of training trials has a large impact, whereas adding the color and physical motion of the cockpit do not. Hence for many tasks having multiple lower cost simulators may be preferable to fewer high fidelity simulators. Basic research provides the principles that can decide these questions.

Here are some examples of applying results from basic psychological research. In training Air Force electronics technicians, Air Force evaluation tests found that 25-30 hours of training with a simulator was equivalent to four years of on the job training. This simulator (Lesgold, Lajoie, Bunzo, & Eggan, 1988) was based on basic research sponsored by the Office of Naval Research and the Air Force.

We can avert disasters applying the methods and results of behavioral science. Human processing of radar screens has been studied to understand how controllers move their eyes and how rapidly the information they look at is forgotten. A model of human performance in this task predicts how many aircraft can be controlled before serious human errors occur (Moray, Neil & Brophy, 1983). This model allows evaluation of new radars and estimation of manning levels as a function of workload. It also can be used to inform commanders of when the human factor will begin to break down.

Applying basic behavioral research to the military can save lives. Low altitude flight in jets and helicopters is the greatest cause of fatalities in training. At one hundred feet above the ground at 500 miles per hour, a pilot is likely to crash if he looks at his instruments to see what to do. On a turn, the pilot has only three quarters of a second to make a decision (Haber, 1987). The pilot's life depends on his ability to estimate altitude based on the visual scene. Models of attention and perception show how those estimates vary as a function of the texture of the visual scene. If the pilot flies over a lake bed, he has to pull up because he can no longer visually estimate the altitude. By applying basic attention and perception research, a psychologist redesigned the low altitude flight curriculum for the Arizona National Guard. He taught instructors what students should look for, how to make critical responses automatic, and how to sequence training to build flight skills. The instructors now apply the psychology of human performance in training low altitude flight. The results have been so successful that the approach is now used throughout the US Air Force.

We owe it to our service personnel, our sons and daughters, to study the human factor.

Human error does not begin or end with the soldier that is stressed beyond his or her cognitive limits due to poor design or training. The second-class petty officers on the Vincennes that misread their computer screens share little of the blame, though they must live with most of the guilt of the downing of an Iranian commercial jet. **The human error begins when we choose what not to investigate, what not to find out.** For over a thousand years well meaning, intelligent doctors, used blood-letting in the false belief that it aided their patients. Only after survival rates were objectively studied was the practice changed. **The choice not to fund the study of the human factor, not to exploit the research opportunities that exist, not to understand the limits and potential of the human factor -- that is the beginning of the human error.** In this case, what we don't know, does hurt us.

Recommendations

Changes in appropriations can reduce the chances of human error and build a better military. In consideration of the military appropriations legislation, the American Psychological Association recommends that this Subcommittee:

1. Specify that 10% of the basic research funds (less than one-half of a percent of the DOD training budget) be used for human behavioral factors research because it can provide the basis to save lives, improve military effectiveness and reduce costs.

2. Require the research agencies to report the amount of the research carried out on humans and the class of issues that are being addressed.

3. Increase 6.1 (Basic Research) funding to four percent of the DOD budget, its level of funding ten years ago.

4. Encourage the incorporation of human factor considerations in the procurement of equipment and the development of training programs.

5. Provide long-term and consistent funding of basic research so agency managers can develop programs of research to address fundamental issues regarding the human factor.

Mr. Chairman, I thank you for this opportunity to testify on these issues and would be pleased to answer any questions that you may have.

References

Caro, P. W. (1988). Flight training and simulation. In E. L. Wiener & D. C. Nagel (Eds.), Human factors in aviation (pp. 229-261). San Diego, CA: Academic Press.

Christensen, J. M., & Howard, J. M. (1981). Field experience in maintenance. In J. Rasmussen & W. B. Rouse (Eds.), Human detection and diagnosis of system failures (pp. 111-133). New York: Plenum.

Ericcson, K. A., Chase, W. G., & Faloon, S. (1980). Acquisition of a memory skill. Science, 208, 1181-1182.

Feineman, G. (1978). How to live with reliability engineers. Spectrum. Cited in Duncan, K. D. (1981). Training for fault diagnosis in industrial process plant. In J. Rasmussen & W. B. Rouse (Eds.), Human detection and diagnosis of system failures (pp. 553-573). New York: Plenum.

Haber, R. N. (1987). Why low-flying flight planes crash: Perceptual and attentional factors in collisions with the ground. Human Factors, 29, 519-532.

Lesgold, A., Lajoie, S., Bunzo, M., & Eggan, G. (1988). SHERLOCK: A coached practice environment for an electronics troubleshooting job (Tech. Rep.). Pittsburgh, PA: University of Pittsburgh, Learning Research and Development Center.

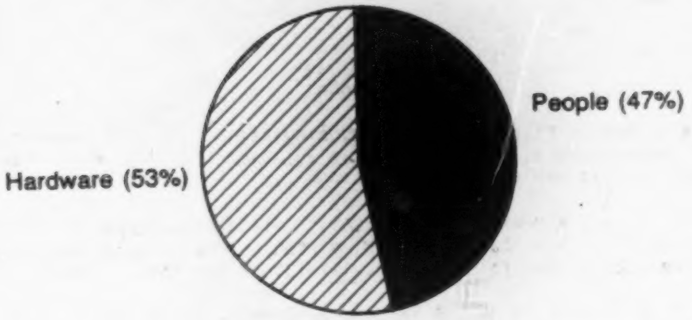
Moray, N., Neil, G., & Brophy, C. (1983). The behaviour and selection of fighter controllers. Ministry of Defence.

Newell, A., & Rosenbloom, P. S. (1981). Mechanisms of skill acquisition and the law of practice. In J. R. Anderson (Ed.), Cognitive skills and their acquisition (pp. 1-55). Hillsdale, NJ: Erlbaum.

Nawrocki, L. H. (1981). Computer-based maintenance training in the military. In J. Rasmussen & W. B. Rouse (eds.), Human detection and diagnosis of system failures (pp.605-620). New York: Plenum.

Prophet, W. W., & Boyd, A. H. (1970. Device-task fidelity and transfer of training: Aircraft cockpit procedures training (Tech. Rep. 70-10). Alexandria, VA: Human Resources Research Organization.

FY88 Major Budget Categories



Allocation of 6.1 Funds

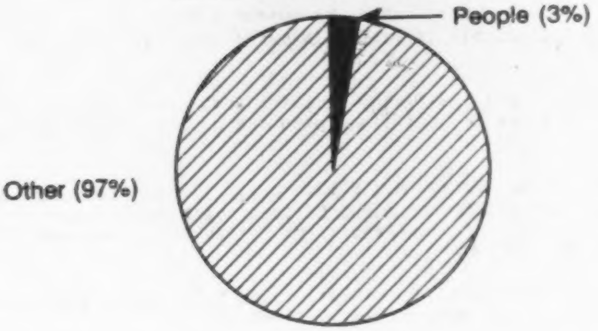
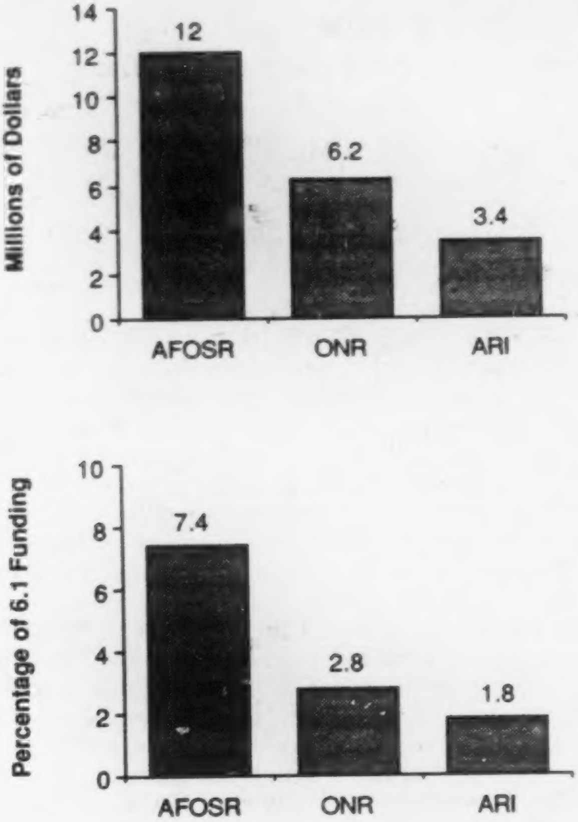


Exhibit 2 - Estimated 6.1 Behavioral Research Funding



TUESDAY, APRIL 25, 1989.

NATIONAL DEMOCRATIC POLICY COMMITTEE

WITNESS

BILL JONES, NATIONAL DEMOCRATIC POLICY COMMITTEE

INTRODUCTION

Mr. MURTHA. The last witness is Mr. Bill Jones of the National Democratic Policy Committee. Mr. Jones.

STATEMENT OF MR. JONES

Mr. JONES. Thank you for giving me the opportunity to testify on Defense Appropriations for fiscal year 1990.

The National Democratic Policy Committee which I represent rejects the notion of Secretary of Defense Richard Cheney that the Reagan administration oversold the strategic defense initiative.

We have therefore requested of Mr. Lyndon LaRouche, who is considered in many respects the intellectual author of the SDI, to issue a statement which we are submitting for a written testimony today, and we would like it to be entered in the record.

As Mr. LaRouche is presently incarcerated in the Alexandria Detention Center, he is not able to attend today. So I will try to paraphrase the key arguments in his paper.

The first thing to consider is that the world is presently faced with a series of major crises, typified primarily by the fact that the Soviet empire is now seized by a spiral of internal physical economic collapse which is pushing the country to the verge of civil war.

This is combined with the cries in the Balkans, possible dismembering of the country of Yugoslavia, which also presents a danger.

This, combined with the effects of a worldwide worsening world food shortage in the Soviet Union, could compel Moscow to make rash and desperate decisions pushing them on an adventuristic course in order to solve their internal problems.

Unfortunately, a series of arms control agreements entered into by the U.S. typified by the INF Treaty have given the Soviets a marginal military advantage which would enhance the possibility of their making such an adventuristic move.

In such a situation, maintaining a credible and strong defense is even more necessary than otherwise. The SDI is an integral part of the defense of our nation and of our allies.

It does not have to be perfect. You do not have to have the capability of destroying every single missile possibly launched against you in order to have an effective program. It is generally considered by U.S. and Soviet analysts that it would be effective as a defense if it could destroy a strategically significant ratio of the warheads deployed by the adversary.

Furthermore, the knowledge by an adversary that the U.S. has such a capability is in itself a major factor in discouraging that adversary from launching such a nuclear attack.

Much has been made about the cost of SDI. The net cost of a full SDI program for society is absolutely nothing. The technological spinoffs of a high-tech laser and particle beam-oriented program which is distinguished from the brilliant Pebble program as discussed by Mr. Cheney yesterday would give a far greater payoff to the civilian economy than we ever can put into it.

When the U.S., for instance, decided to send a man to the moon, every dollar that we spent in order to get him there gave a payback of 10 to 1 in the form of technological innovations flowing into the civilian economy.

Because of the entirely revolutionary nature of the technologies we are dealing with in laser and particle beam areas, we will have an even greater payoff than the NASA program.

More significantly, the forward kick that such a program would give to our stagnating economy could help us eliminate the growing cultural pessimism and more or less apathy that has been eating away at our nation like a malignant cancer for the last 20 years.

Only in a climate characterized by technological progress can we restore to the public a feeling of optimism to the future, which is a fundamental sign and characteristic of a healthy society.

We request that the funding originally proposed by the Reagan administration be maintained, and that considerations be taken to developing the SDI program in such a way as to emphasize the more important technological areas of particle beam and laser technology which could be of major technological importance to our civilian economy.

Thank you, Mr. Chairman, for allowing me to address the committee.

Mr. MURTHA. Thank you.

Mr. McDade.

Mr. McDADE. No questions.

Mr. MURTHA. Mr. Miller.

Mr. MILLER. No questions.

Mr. MURTHA. Thank you.

The committee will adjourn until 10:45 tomorrow.

[The statement of Mr. Jones follows:]

National Democratic Policy Committee
P.O. Box 17729 • Washington, D.C. 20041-0729

TESTIMONY

to the

HOUSE APPROPRIATIONS COMMITTEE

SUBCOMMITTEE ON DEFENSE

FOR FISCAL YEAR 1990

Submitted by the

NATIONAL DEMOCRATIC POLICY COMMITTEE

APRIL 25, 1989

Thank you, Mr. Chairman, for the opportunity to testify on Defense Appropriations for fiscal year 1990.

The NDPC rejects the notion of Secretary of Defense Richard Cheney that the Reagan administration "oversold" the Strategic Defense Initiative. The NDPC calls for a renewed emphasis on this program because it is a vital component, not only of our defense requirements, but is also of the profoundest importance for the economic and cultural health of the nation, and for ensuring that World War III does not occur.

The NDPC asked the "intellectual author" of the Strategic Defense Initiative, Mr. Lyndon H. LaRouche, to address this issue for its statement to this committee. Mr. LaRouche prepared this statement while at the Alexandria, Virginia Detention Center, on April 2, 1989. We are happy that Mr. LaRouche responded and excerpts of his remarks follow:

SDI:The Rising Storm   by Lyndon LaRouche

Now, as in 1938, a world which is hyperventilated by chants of "peace," is moving rapidly toward the brink of a new world war. The approaching storm is the true context of U.S Defense Secretary Richard Cheney's unfortunate March 28 remarks to the press, on the subject of the U.S. Strategic Defense Initiative (SDI).

Consider some highlights of a rapidly deteriorating strategic siuation today: 1) The world's leading military power, the Soviet empire, is now seized by a spiral of internal physical-economic collapse. This impels Moscow toward exploiting both its now-emerging war-winning margin of military advantage, and the increasing cowardice of the West, to seek an external military solution for an otherwise hopeless spiral of internal collapse.

2) Echoes of 1912-1914 are felt in two regions of the old Ottoman Empire, the Balkan and Middle East "cockpits." The attempted dismemberment of Yugoslavia is far advanced. We are proceeding rapidly toward a long-expected new war between Israel and Syria, a war which, if it occurs, will almost certainly engulf and destroy the oil-exporting and other sectors of the region.

3) The world is gripped by the worsening world food shortage. We are in the second of probably three successive years of globally disastrous extremes in weather-system instabilities. In consequence of this, combined with lunatic agricultural policies of the U.S.A. and other governments, perhaps only sixty percent of world grain requirements will be met during 1989, and a worse catastrophe during 1990....

This factor of food-crisis is a leading impulsion tending to provoke the Communist powers into the kinds of external adventures likely to trigger World War III.

4) The global political and economic crises of the

coming months will be aggravated by the growing awareness that the U.S. and other governments have all lied monstrously about the HIV ("AIDS'') pandemic, especially since the summer and autumn of 1986....

The HIV ("AIDS'') pandemic is the "Black Death of the Twentieth Century,'' but twice as deadly as the "Black Death" of fourteenth-century Europe. Once this reality is perceived popularly, as will be the case within less than two years, a political panic will take over the population, comparable to the desperate, mass-scale madnesses of the fourteenth century's "New Dark Age."

5) The worst potentials of these four, and other crisis-factors, are about to be accelerated by an outbreak of the deepest financial crisis of the century....

These five listed considerations--Soviet desperation, hot-spots in the eastern Mediterranean, the worsening food shortages, the "new Black Death," and the imminent financial panic--do not encompass explicitly all of the factors impelling the planet toward general war. They serve here to highlight the urgency of correcting Secretary Cheney's mistaken assertion, that the Reagan administration "oversold" the SDI.

The following points respecting SDI are chiefly to be considered here:

1) The general strategic crisis now coming to a boil, is the cumulative effect of wrong-headed policy-trends of London and Washington, chiefly those of the past twenty-odd years....

If those capitals are still capable of sanity, they will promptly scrap the rotten fruit of Adam Smith and Thomas Malthus, for a return toward policies modeled upon what Treasury Secretary Alexander Hamilton named "the American System of political economy."...

2) The peculiar, decisive, added feature of the situation, is that the crisis is now "running off the charts."

We are now entering into a "nonlinear" phase-shift in the global situation. We have entered the phase, globally, at which the subjective will of the ruling establishment ceases to control the shaping of events....

The present situation of the Anglo-American establishment is somewhat comparable to the unfolding of World War I....

3) Presently, even at this late stage, there exist objective solutions for the terrible crises now threatening us all. A renewed commitment to implementation of the SDI, as announced on March 23, 1983, is an integral, indispensable included feature of any solution for these crises. It would not be, by itself, a solution; but there is probably no solution without it. The SDI is an integral part of the needed solution.

From the moment, on March 23, 1983, President Reagan completed his televised announcement of his Strategic

Defense Initiative, congratulations were transmitted to me from numerous parts of the world. For the moment, at least, I had won; my work with the Reagan administration, during all of 1982, and early 1983, had succeeded. Without my personal effort, the March 23 announcement could not have happened; for that reason, I have been described often, in various parts of the world, as "the intellectual author of the SDI."

Such are my credentials for correcting Secretary Cheney's referenced misstatements to the press....

No qualified proponent of strategic nuclear defense has promised that we might, assuredly, destroy 100 percent of enemy war-heads launched against us. Both Western and Soviet proponents (e.g. Sokolovsky, 1962) have stipulated that we must destroy "a strategically significant" ration of the war-heads deployed by the adversary. The object of strategic nuclear defense is not the utopians' dream of an absolutely impenetrable nuclear "fence;'' the object is to ensure that the U.S.A. would survive as a functioning nation, to win a general war, should Moscow attempt a first strike.

"Strategically significant," is the degree of preemptive destruction of Soviet warheads required to assure such standards of survival of the nations of the Atlantic Alliance, and to assure victory over the Soviet empire following that.

The immediately desired objective of strategic nuclear defense, is not to launch war, but to deny Moscow the advantage inherent in a totalitarian state such as its own: nuclear first strike. By neutralizing the Soviets' desired goals of nuclear first strike, we tend to prevent Moscow from launching a first strike....

My central contribution to the theory and practice of the purely military side of strategic nuclear defense, was my unique and crucial personal role in redefining the question of economic feasibility.... The question can be defined competently only from the standpoint of a relatively little-known branch of physical science, Leibniz's science of physical economy. I have the good fortune to be the world's leading specialist in that branch of science.

My role as a physical economist enabled me to solve some critical problems of military strategic nuclear defense. I made possible a more or less direct correlation of the military with the cultural aspects of warfare, helping us to take into account more adequately the strategically most beneficial sort of "cultural paradigm shift" fostered by U.S. deployment of an SDI based chiefly on "new physical principles...."

"Technological Attrition."

There never was, and will never be a perfect weapon. Every weapon can be rendered effectively obsolete by weapons reflecting more advanced technology. Every change in military technology tends to shift the balance between the relative weights of both strategic and tactical defense and offense.

Exemplary are the motorized armored artillery platform, the "tank," as the solution to trench-warfare stalemates of attrition, and, similarly,,the present relative obsolescence of armored-columns of assault under the impact of special forces exploiting the potentials of new classes of weaponry.

Therefore, there is no fixed system of strategic nuclear offense, or defense, which can not be rendered progressively obsolete by improved countermeasures. In conflict between capable modern adversaries, war-planning is premised upon the conception of a continuing race for deployment of superior technologies. New offensive technologies outclass existing modes of defense; new defense technologies outclass countermeasures, and so on, and so forth. This is termed "technological attrition."

The implicit notion is, that the power which is able to realize the higher (faster) rate of technological attrition, wins the war, or, at least, tends to do so, all other considerations being equal. Technological advantage may be compared to having an additional corps to outflank the adversary.

In defining what we call SDI today, back in 1982 and 1983, I assumed that Moscow would develop countermeasures against any strategic defense technology the United States deployed. For purposes of planning, I assumed that the Soviets might deploy such new anti-SDI countermeasures within a period of between three to five years following our deployment of any SDI technology. I described the proposed strategic nuclear defense this way.

I said to myself, and my collaborators, in effect:

"Let us list the successive, foreseeable advantages in technology we can be able to develop and deploy during the coming period of 15 to 20 years. Let us group these, in succession, as Mark I, Mark II, Mark III, and Mark IV. Let us assume, that between three and five years elapses between the deployment of Mark I and the deployment of these more advanced modifications representing Mark II. Assume approximately the same for Mark III and IV."

I recognize that this implies an overdue change in defense procurement procedures, junking McNamara's "systems analysis" (and other by-products of the Hoover Commission recommendations), to return to the traditional "arsenal" system of military procurement. (If McNamara's "reforms" were not designed in Moscow, they could have been.) The principle of technological attrition shows us why the recommendations of the Hoover Commission and "systems analysis" are absurd, and monstrously wasteful, too.

In military procurement, what we must purchase is effective technological attrition. So, in defining the future SDI, I redefined the question of "economic feasibility," to reflect the principle of technological attrition. I assumed, as indicated, a "minor technological revolution" in defense-weaponry deployed, at intervals of between three and five years. This was a simplified, and very practical way to take into account the implied mathematical physics function: rate of advance of technology with respect to time. The latter is the obvious, first-approximation definition of technological attrition....

To solve the question of economic feasibility in terms of some assumed rate of technological attrition, it was necessary to define technology in terms equally applicable to the battlefield as such, and measurement of physical (not monetarist's) rates of growth of productive powers of labor in the economy as a whole.

For example, in the worst imaginable case, the level of expenditure required to provide an adequate strategic defense might draw down so much wealth from the economy, that the productive powers of labor, of the economy as a whole contract, leading toward virtual economic collapse.

If that were the civilian result of a militarily adequate SDI program, SDI might be militarily effective, but not economically feasible. That is comparable to the remedy which conquers the disease, but kills the patient with its side-effects.

In contrast to such a gloomy result, economic feasibility means that the per-capita physical output of the nation continues to increase, even after all defense requirements are met. By "defense requirements," we mean a level of pre-war preparations sufficient to ensure that the nation, and its allies, survive and win a general war under any condition they were forced to war.

In the case of SDI (based chiefly upon "new physical principles''), the tests for "economic feasibility" yielded the happiest kind of result. The rate of economic growth fostered by an SDI based on high rates of technological attrition would be higher than without SDI!

SDI `Spill-overs'

The results of my economic feasibility studies for SDI were rather widely reported by the National Security Council's Dr. Norman Bailey during spring 1983. Those of us in the team developing the SDI policy laid great emphasis on what we all termed "economic spill-overs." In describing the benefits of SDI technologies to the nation's civilian economy, we referenced the fact the U.S. economy had enjoyed economic benefits from the Kennedy aerospace program many times the U.S.-government's investment in both NASA as a whole and aerospace R&D generally.

Many specialists know of this effect; only a physical economist may show how and why this effect must occur necessarily.

The key to "spill-overs" is the causal connection between the design of a crucial physics experiment and the replication of such a successful experimental design as a new technological capability of either a commercial machine-tool firm, or a military arsenal, The new technology, so implanted in commercial and related machine-tool facilities, is transmitted to the economy at large (chiefly) in the form of improved capital goods of agriculture, manufacturing, and infrastructure. The use of such improved capital goods causes, directly, an increase of the productive powers of labor, and tends thus to increase the (physical) productivity of the labor-force as a whole.

The optimal "spill-over" effect demands economic policies which foster rapid release of new military technologies into the civilian sectors of agriculture, manufacturing, and infrastructure.

For example, during the 1961-1964 Kennedy recovery from the 1957-1960 recession, the aerospace spill-over was fostered by policies including:

1) The "Kennedy" investment tax-credit incentive for capital investments;

2) Relatively favorable capital-gains treatment of reinvested earnings (in contrast to the present tax code);

3) Relatively advantageous borrowing-charges.

If the private sector's farming, manufacturing, and infrastructural sub-sectors are assisted and encouraged to use new technologies embodied in high rates of investment in capital improvements of product and production, the optimal rate of "spill-over benefit" will tend to occur.

It happens to be the case, that the industrial applications of SDI's "new physical growth" imply, axiomatically, the highest rates of growth of per-capita productivity in history.

This meant, in effect, that the only "upper economic limit" on investment in SDI is as much SDI as military requirements dictate.;s1

That excellent economic feasibility (for SDI based chiefly on "new physical principles'') had direct bearing upon the cultural aspect of warfare between the Atlantic Alliance and Moscow. Not only does such an SDI mean a strengthening of non-communist economies, in per-capita and total terms; it has war-winning cultural benefits.

A Tavistock study (Rapoport report) of the social effects of NASA programs, during the mid-1960s, reported that the notable effect was a higher value placed upon rational behavior. Economic growth, especially growth generated by technological progress, has always tended to foster a climate of optimism, and promotes improvements in levels of morality in relations among persons. In contrast, economic collapse, especially when combined with lowered esteem for scientific and technological progress, promotes the Soviet cause.

Opponents of SDI

So-called "critics" of the SDI have tried to make it appear that strategic defense is some sort of "wild-eyed science fiction" idea which had no precedent in military history. In fact, as noted, the idea of strategic defense is as old as current classical military science. Throughout the history of military science, until the late 1950s introduction of a Pugwash Conference ban against strategic nuclear defense, all classical war-planning and related doctrines included the notion of strategic defense....

How did the opposition to strategic nuclear defense, MADness, come into existence? To make the account less complicated, and briefer, let us discuss only facts easily available on the published record.

It began during the postwar period, with Bertrand Russell's contribution to the October 1946 edition of The Bulletin of the Atomic Scientists. On the surface, Russell seemed to say the United States should prepare to launch a "preventive" nuclear war upon Stalin's Soviet Union. Reading Russell's statements on this subject a bit more carefully, Russell actually said "unless." He said, that unless Moscow accepted Russell's plan for a one-world, world-federalist system, the Anglo-Americans should launch a "preventive nuclear war" against Moscow.

Russell also said something else. He said that if Britain and the United States lacked the nerve to prepare a "preventive" nuclear war, we should seek still to win Moscow over to a one-world world-federalist government. He warned, that if we waited until after Moscow had nuclear arsenals, we would have to offer Moscow much more generous terms for joining Russell's one-world socialist empire.... It was at the second meeting of the Pugwash Conference, in 1958, at Quebec, that Russell's crony, Dr. Leo Szilard, set forth the MAD doctrine later associated with Kissinger and McNamara. It was there that Kissinger's circles first actually negotiated (privately) with Moscow, a ban on U.S.A. (not Soviet) strategic nuclear defense.

It was not until McNamara's reign at Defense, that Szilard's MADness took over U.S. strategy officially. It was not until Pugwash associate Kissinger became Nixon's national security advisor, that Pugwash arms-control philosophy became official U.S.-Soviet diplomacy openly. It was not until 1972, that Kissinger succeeded in foisting Szilard's 1958 ABM Pugwash deal with Moscow on the United States.

Thus, the origin of the Kissinger-McNamara sort of opposition to SDI, is their adherence to a queer sort of utopian-socialist one-world ideology. Any differences among Russell, H.G. Wells, Szilard, Kissinger, and McNamara are relatively incidental; on the essential features of this issue, they are pods out of the same pea.

Conflict as Cultural Warfare

This past month, the American Catholic Bishops Conference convened in Rome. The proceedings were dominated by a theme treated by Cardinals Ratzinger, Gagnon, and O'Connor, among others. The addresses by Cardinals Ratzinger and O'Connor are of most notable bearing on the subject of SDI.

These cardinals emphasized that the influence of American pragmatism had destroyed the morals and culture of the United States. The U.S. people, in the main, have replaced the search for truth, with a search for an unprincipled consensus. More and more Americans appear to have lost not only the capacity to recognize a difference between right and wrong, but do not regret the loss of that moral faculty.

It is for those reasons, that the policies and agencies of the U.S. government are almost invariably incompetent or worse in matters of foreign policy, intelligence estimates, and strategic planning. I stress here, the typical U.S. officials' bungling incompetence in matters where the influence of culture is more or less decisive in shaping the outcome.

The effort to establish a principled, efficient, and durable perception of common intent, among nations with significant differences in culture, defines the kind of problems to be considered. The strategic-cultural impact of the original SDI, if ever implemented, is the setting in which this class of problem is considered here.

The essential thing which sets all human beings apart from, and absolutely above the beasts, is the quality of the human mind which has enabled mankind to increase the human species' potential population, from approximately 10 millions, to more than 5 billion persons. This unique quality of accomplishment is directly a result of the efficient generation, transmission, and assimilation of what we commonly term scientific and technological progress.

The quality of the human individual which has made such success possible, is what we best name the creative processes of the human mind, processes whose species-quality is characterized by the original discovery of a valid fundamental principle of physical science.

This sort of behavior--such creative processes--could never be simulated by any machine, could never be represented by any digital computer-system, could never be described by means of a function based upon the formalist mathematics of today's mathematical-physics textbook and classroom. The proof of that is axiomatic; any true fundamental scientific discovery overturns one or more among the set of axioms and postulates of any formalist mathematical physics, generating a form of mathematical (logical) discontinuity which is not susceptible of intelligible representation in any system of axiomatic algebra.

This quality of creative potential, insomuch as it sets mankind absolutely apart from, and absolutely above all animal species, is the "axiomatic" center of any rational definition of human individual and collective self-interest.

On the surface, SDI is a weapon of warfare. Yet, as I conceived it, it is an instrument for peace. Any policy, which fosters an energetic use of creative powers (scientific and technological progress) to solve a frightening problem of mankind, thus affirms true human self-interest, affirms the true value of the human individual.

So, in that way, the SDI acts efficiently upon the culture of the United States, and of other nations.

The notion of a policy-trend, a sense of directedness underlying a succession of mutually distinct policies, illustrates the way in which culture (e.g., "cultural paradigm'') acts to define the will of a nation. As we influence culture (e.g., cultural paradigms), we affect the policy-trends of nations. We thus shape the future of nations far more profoundly than by seeking to negotiate particular amendments to a particular policy.

Such is the design of SDI. It was designed as a means to check war, and Soviet aggression, in the medium term, while also modifying, subtly, the cultural matrices of many nations, to the purpose of fostering the perception of true human self-interest, and so removing the cause for justified war.

- Note -

1. This applies, of course, only to use of "new physical principles," not KEW systems. Indeed, a global KEW version of SDI is not economically feasible, and could not accomplish its military objectives against obvious kinds of Soviet countermeasures.

WITNESSES

	Page
Albert, M.S	702
Bogolub, Col. Milton	774
Boorda, Vice Adm. J.M	95
Buesner, Capt. C.A	667
Burdick, Maj. Gen. Donald	273, 730
Chescavage, Dorsey	818
Comstock, E.T	69
Duggan, Michael	604
Duncan, S.M	187
Durocher, Cort	841
Esposito, J.M	761
Gulya, A.J	870
Harvey, Samuel	700
Hayes, Hon. C.A	789
Hazan, P.L	826
Hickey, Lt. Gen. T.J	35
Hudson, Lt. Gen. J.I	69
Hultman, Maj. Gen. E.L	539
Hunter, J.T	704
Johnson, David	855
Jones, Bill	922
Killey, Maj. Gen. P.G	381
Looney, Maj. Gen. E.P	457
McFadden, P.L	876
McKinney, C.A. "Mack"	578
Neidig, Sgt. First Class Lamar	1
Ono, Lt. Gen. A.K	1
Pickle, Hon. J.J	573
Richardson, Hon. Bill	535
Robertson, S.A	607
Scheer, Maj. Gen. R.P	381
Schlee, G.M	607
Schneider, Walter	907
Smith, Rear Adm. F.N	457
Sommerhauser, J.E	794
Sturdivant, J.N	741
Temple, Lt. Gen. H.R., Jr	273
Trayers, P.E	898
Ward, Maj. Gen. W.F	273
Weber, Lt. Gen. L.E	639
Willis, J.K	801
Winslow, Marie	810

INDEX

MILITARY MANPOWER—DEPARTMENT OF THE AIR FORCE

Page
Active versus Reserve Units 67
Aviator Continuation Pay 63
Aviator Requirements and Inventory 50
Base Closures 59
COLA Freeze for Retirees 68
Fly-Only Career Path 53
Housing Allowances 61
Introduction 35
Mission Transfers to the Reserve or Guard 53
Morale, Welfare, and Recreation (MWR) Programs 57, 66
    Appropriated Funds 65
Officer Commissioning 48
Open Messes 60
Pay Raise 61
Pilot Assignment System 55
Pilot Retention 49, 57
Recruiting and Advertising 64
Recruitment 48
Reserve Officer Training Program 49
Statement of Lieutenant General Hickey 37
Summary Statement of Lieutenant General Hickey 35
    Officer and Enlisted Retention 36
    Reduction in Force 35

MILITARY MANPOWER—DEPARTMENT OF THE ARMY

Active Reserves Mix 25
Army College Fund for Non-Combat Skills, Two year 15, 29
Burdensharing Initiatives 23
Child Care Service 20
Citizenship and National Service Act of 1989 22
Congressional Add-on, Fiscal Year 1989 27
End Strength 26
Enlistment Bonuses versus Army College Fund 16, 21
Housing Allowances 24
Introduction 1
Morale Welfare and Recreation (MWR) Programs 17, 32
    Appropriated Funds 31
    Shortfall, Fiscal Year 1989 17
Overseas Assignments 24
Recruiting 12

Recruiting—Continued Page
- And Advertising Budget 27
- Goals 22, 28
- Incentives 16

Retention 30
Statement of Lieutenant General Ono 4
Summary Statement of Sergeant Neidig 11
- Two-year Army College Fund 11

Summary Statement of Lieutenant General Ono 1
- Recruiting and Advertising 2
- Quality Force 1
- Quality of Life Programs 2

Two-year Enlistments 12

MILITARY MANPOWER—DEPARTMENT OF THE NAVY

Active versus Reserve Units 183
Aviator Continuation Pay 171, 182
Category IV Accessions 178
Citizenship and National Service Act of 1989 175
Fraudulent Enlistments 178
Housing Allowances 182
Incentive Pays 170
Introduction 95
Manning 174
Manpower, Medical 169
Medical Support 170
Morale, Welfare and Recreation (MWR) Programs 185
Navy College Fund 177
Overseas Assignments 179
- For E1–E3 with Dependents 181

Pay Raise 181
Recruiting 174
Retention 183
Sea Duty 169
Statement of Vice Admiral Boorda 97
Summary Statement of Vice Admiral Boorda 95
Training Requirements 176

MILITARY MANPOWER—U.S. MARINE CORPS

Active versus Reserve Units 93
Aviation Career Incentive Pay 84
Child Care 88
Citizenship and National Service Act 84
End Strength 90
Force Structure Realignment 88
Incentive Bonuses 92
Introduction 69
Marines Overseas 85
Pay Raise 91
Pilot Retention 89
Recruit Training 87
Recruiting Goals 87

Page
Recruiting Incentives 90
Recruiting Malpractices.......... 82
Retention 92
Statement of Lieutenant General Hudson.......... 71
Summary Statement of Lieutenant General Hudson 69
  End Strength.......... 70
  Pay Raise 70
  Quality of Life.......... 70
  Recruiting 70
  Summary.......... 70
Variable Housing Allowances.......... 83
Women in The Marine Corps 91

NATIONAL GUARD AND RESERVE FORCES

Air National Guard and Air Force Reserve 381
  Active versus Reserve Units 435
  Base Operating Support Services.......... 419
  Close Air Support.......... 412
  C-130 Training Simulators.......... 415
  C-130H, Louisiana Air National Guard.......... 419
  Equipment of the Air Force Reserve.......... 453
  Equipment of the Air National Guard 411, 453
  Force Structure.......... 431
  Full-time Support Programs 448
  Introduction.......... 381
  MH-60G Helicopters.......... 413
  Montgomery G.I. Bill.......... 442
  North American Aerospace Defense (NORAD).......... 411
  Operation and Maintenance.......... 449
  Readiness of the Air Force Reserve.......... 410, 425
  Readiness of the Air National Guard.......... 410, 428
  Recruiting 444
  Selected Reserve Personnel.......... 445
  Squadron Strength.......... 414
  Statement of Major General Killey 395
  Statement of Major General Scheer.......... 383
  Summary Statement of Major General Killey 393
  Summary Statement of Major General Scheer 381
  Technicians.......... 451
  WC-130 Hurricane Reconnaissance Program.......... 416, 439
Army National Guard and Army Reserve.......... 273
  47th Infantry Division.......... 335
  Active versus Reserve Units 345
  Active/Reserve Force Mix 319
  Armored Forces 334
  Armory Support.......... 379
  Army Aviation Modernization Plan 333
  Army College Fund.......... 316, 356
  Command and Control, Army Reserve 350
  Command and Control Reporting Chain 315
  Computers for the Army Reserves.......... 332, 351
  Drug Interdiction Mission.......... 324, 358
  Equipment.......... 321, 376

Page

Army National Guard and Army Reserve—Continued

Full-time Support Programs 366
Introduction 273
Mobilization Exercises 360
Montgomery G.I. Bill 367
National Guard Duty 326, 362
Operation and Maintenance 371
Overseas Missions 347
Readiness 336
Recruiting 317, 369
Reserve Components Automation System (RCAS) 315, 332
Round-out Battalions 323
Selected Reserve Personnel 363
Statement of Major General Ward 311
Statement of Major General Burdick 295
Statement of Lieutenant General Temple 274
Summary Statement of Major General Burdick 293
Summary Statement of Major General Ward 310
Technicians 373
Naval Reserve and Marine Corps 457
Active versus Reserve Units 518
Active/Reserve Force Mix 509
Airlift, Heavy Organic 505
Airlift Requirements 530
COOP Homeporting 510
Drug Interdiction Efforts 521
Electronic Warfare Squadrons 511
Equipment 506, 509, 528
Full-Time Support Program 509, 524
Improved Processor and Display System (IPADS) 532
Introduction 457
Medical Corps 511
Missions 505
Montgomery G.I. Bill 525
New Orleans, Reserve Activities in 512
Operations and Maintenance 527
Persian Gulf Operations 507
Readiness 514
Recruiting 508, 526
Selected Reserve Personnel 522
SQQ-T1 LAMPS MK-I ASW Training System 531
Statement of Admiral Smith 459
Statement of Major General Looney 475
Summary Statement of Major General Looney 474
Summary Statement of Admiral Smith 457
Overview 187
Active/Reserve Force Mix 236, 244, 257
Command and Control Reporting Chain 251, 266
Computers for the Army Reserves 266
Dedicated Equipment Account, O&M Support for 236
Drug Interdiction Mission 240
Equipment 264
Individual Ready Reserve (IRR) 263
Introduction 187

Page
Overview—Continued
  Mobilization Exercises 241
  Montgomery G.I. Bill 248
  National Guard Duty 242
  Operation and Maintenance 262
  Procurement Budget 246
  Readiness 252
  Recruiting 238, 250
  Reserve Component Command Control 266
  Reserve Components Automation System, (RCAS) 251, 266
  Reserve Initiatives 257
  Statement of Mr. Duncan 189
  Summary Statement of Mr. Duncan 187

TESTIMONY OF MEMBERS OF CONGRESS AND OTHER INTERESTED INDIVIDUALS AND ORGANIZATIONS

American Association of Nurse Anesthetists 876
American Federation of Government Employees 741
American Institute of Aeronautics and Astronautics 841
American Psychological Association 907
Association of Civilian Technicians 704
Chicago Museum of Science and Industry 789
Coalition of National Guard and Reserve Civilian Technicians 761
Federal Managers Association 898
Federation of Behavioral, Psychological and Cognitive Sciences 855
Georgetown University 700
International Federation of Professional and Technical Engineers 794
Joint DOD/DOE Munitions Technology Development Program 535
Military Technicians 774
National Democratic Policy Committee 922
National Federation of Federal Employees 810
National Guard Association of the United States 639
National Military Family Association 818
Naval Reserve Association 667
Reserve Officers Association of the United States 539
Semiconductor Manufacturing Technology 573
Small and Disadvantaged Businesses 801
The American Academy of Otolaryngology-Head and Neck Surgery, Inc. 870
The American Legion 604
The Institute of Electrical and Electronics Engineers, Inc 826
The Non Commissioned Officers Association of the United States of America 579

○